

NOTICE PUBLICATION/REGULATIONS SUBMISSION

REGULAR

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STD. 400 (REV. 10/2019)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2025-0909-06	REGULATORY ACTION NUMBER 2025-1215-01	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
OFFICE OF ADMINISTRATIVE LAW Electronic Submission		OFFICE OF ADMINISTRATIVE LAW 2025 DEC 15 @ 4:59 PM	
REC'D DATE 09/09/2025	PUBLICATION DATE 09/19/2025	NOTICE	REGULATIONS
AGENCY WITH RULEMAKING AUTHORITY California Coastal Commission			AGENCY FILE NUMBER (If any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Affordable housing projects vesting	TITLE(S) 14	FIRST SECTION AFFECTED 13156	2. REQUESTED PUBLICATION DATE Sept. 19, 2025
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed <input type="checkbox"/> Regulatory Action	4. AGENCY CONTACT PERSON Robin Mayer	TELEPHONE NUMBER (415) 505-5908	FAX NUMBER (Optional)
OAL USE ONLY <input checked="" type="checkbox"/>	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/ Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Vesting and extension periods for 100% affordable housing projects	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)		
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT AMEND 13156(g), 13169(a)		
TITLE(S) 14	REPEAL		
3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Other (Specify) _____		

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input checked="" type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal	
<input type="checkbox"/> Other (Specify) _____			

7. CONTACT PERSON Robin Mayer	TELEPHONE NUMBER 415-505-5908	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) robin.mayer@coastal.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.	For use by Office of Administrative Law (OAL) only
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SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Louise Warren</i>	DATE 12/08/2025
TYPED NAME AND TITLE OF SIGNATORY Louise Warren, Chief Counsel	

CALIFORNIA COASTAL COMMISSION

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ADOPTED TEXT
AFFORDABLE HOUSING VESTING REGULATIONS
§§ 13156, 13169

§ 13156. Contents of Permits.

...

(g) The time for commencement of the approved development, except that where the commission on original hearing or on appeal has not imposed any specific time for commencement of development pursuant to a permit the time for commencement for all approved development other than 100% affordable housing projects shall be two years from the date of the commission vote upon the application, unless the Commission imposes a different time limit. For 100% affordable housing projects, which may include manager units, the time for commencement of development shall be five (5) years. Each Notice of Intent to issue a permit shall contain a statement that any request for an extension of the time of commencement must be applied for prior to expiration of the approval permit.

Note: Authority cited: Section 30333, Public Resources Code. Reference: Section 30600 and 30604(f), Public Resources Code.

§ 13169. Extension of Permits.

(a) Prior to the time that commencement of development under a permit granted by either the regional commission or the eCommission must occur under the terms of the permit or Section 13156, the a permittee applicant may apply to the executive director of the commission for an extension of time not to exceed an additional one-year period. For 100% affordable housing projects, which may include manager units, the Commission may approve an extension of time not to exceed an additional two-year period. The executive director shall not accept the application unless it is accompanied by all of the following:...

Note: Authority cited: Section 30333, Public Resources Code. Reference: Sections 30600, 30604, 30620 and 30620.6, Public Resources Code.

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NOTICE OF PROPOSED APA RULEMAKING

CALIFORNIA COASTAL COMMISSION

Title 14, Division 5.5, California Code of Regulations

NOTICE IS HEREBY GIVEN that the California Coastal Commission (Commission), as authorized by Section 30333 of the Public Resources Code, proposes to make changes to its regulations as described below after considering all comments, objections, and recommendations regarding the proposed action (Proposal).

A PUBLIC HEARING IS SCHEDULED FOR November 5, 2025. The hearing will be part of the Commission's regularly scheduled meeting, which will take place in Sacramento and virtually over the Internet. Any interested person may present comments regarding the Proposal at this hearing. Any interested person may also present written comments regarding the Proposal to the attention of the agency contact as listed in this Notice, no later than November 3, 2025. More information about the hearing and how to participate is available at the end of this Notice.

INTRODUCTION

The Proposal extends the time that 100% affordable multiple-dwelling unit projects may take to vest after Commission approval and increases the length of approved extensions. The Proposal will help further the Commission's mission to encourage affordable housing in the coastal zone. The following sections are affected:

Amend: Sections 13156(g) and 13169(a).

AUTHORITY AND REFERENCE

Authority: Section 30333 of the Public Resources Code provides that the Commission may adopt or amend rules and regulations to carry out the purposes and provisions of the Coastal Act (Div. 20, Section 30000 et seq.), as well as to govern procedures of the Commission. Rules and regulations shall be consistent with the Coastal Act and other applicable law.

Reference: The Proposal implements the Commission's mandate to encourage affordable housing in the coastal zone. (Pub. Resources Code, § 30604(f).)

BACKGROUND

The Legislature enacted the California Coastal Act in 1976, following the passage of Proposition 20, a referendum expressing the desire of the people of California to protect its most valuable resource: 1100 miles of coastline. Division 20 of the Public Resources Code, Section 30000 et seq. (the Coastal Act) established a comprehensive coastal

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CALIFORNIA COASTAL COMMISSION
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protection program and made permanent the California Coastal Commission as a state agency. The first goal of the Coastal Act is to “[p]rotect, maintain, and, where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources.” (§ 30001.5, subd. (a).) Key provisions related to this rulemaking are Public Resources Code Section 30604, subdivisions (f), (g), and (h), concerning the encouragement of affordable housing and the consideration of environmental justice for coastal development permits.

The Commission considers applications for coastal development permits in its jurisdiction; certifies long term plans, including local coastal programs that allow local governments to issue coastal development permits; considers appeals of certain local approvals; sets policy in coastal matters; conducts enforcement; and ensures the consistency of federally-approved development in the Coastal Zone. In particular, the Proposal affects the length of time required for an approval of a coastal development permit to vest, or to be extended, for projects that qualify as 100% affordable housing.

Existing regulations are located in Title 14, Division 5.5, Section 13001 et seq. Shortly after passage of the Coastal Act, the Commission adopted a full set of procedural regulations. Several rulemakings thereafter improved and expanded the original set, most recently in 2019. (See OAL Nos. 2019-0619-055 and 2019-1016-3.) Amended regulation sections 13156 and 13169 would implement, interpret and make specific statutory clauses related to affordable housing in Section 30604 of the Coastal Act.

INFORMATIVE DIGEST

Existing law: The Coastal Act empowers the Commission to approve permits for development in the coastal zone (see Pub. Resources Code, § 30600) and requires the Commission to encourage affordable housing (§ 30604(f)). Current regulations set the default time for the vesting of all approved development, regardless of type or affordability, at two years (Cal. Code of Regs., tit. 14, § 13156(g)) and allow extension of approvals or permits that haven’t vested one additional year from the two-year approval date (§ 13169(a)).

The Proposal: The Proposal would allow projects that consist of 100% affordable housing units to take five years to vest instead of two years, and for those applicants to apply for a two-year extension of the time to vest rather than a one-year extension. The Proposal makes other clarifying changes and updates to the two subsections.

The effect will be increased efficiency, certainty, and finality for those applicants, who often must receive a coastal development permit approval before they can pursue funding, which can then take many years to receive and by nature delays vesting of the project. The regulations also support the promotion of affordable housing in the state.

There is no comparable federal regulation or statute.

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POLICY STATEMENT OVERVIEW

Broad objectives: The broad objectives of the Proposal are to aid the development of affordable housing in the state by relaxing the requirement to vest 100% affordable projects to a more feasible time frame.

Anticipated Benefits:

The Proposal is expected to save time and resources for both the applicants of 100% affordable housing projects and the Commission. With a longer time for their projects to vest, the applicants need not apply for extensions that are too short to be useful (essentially requiring a cycle of extensions until the project can vest), saving the Commission from having to process those applications.

Due to the encouragement of affordable housing in California, the Proposal generally benefits social equity and supports the protection of the environment via the encouragement of environmental justice, as further explained below. The Proposal does not directly affect public health and safety or worker safety.

EVALUATION OF INCONSISTENCY/INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

The Commission has determined that this proposed regulation is not inconsistent or incompatible with existing regulations. After conducting a review for any regulations that would relate to or affect this subject matter, the Commission has concluded that the Commission is the only state agency with regulations that govern the vesting of affordable housing projects in the coastal zone.

FORMS INCORPORATED BY REFERENCE

The Proposal does not incorporate any forms by reference.

MANDATED BY FEDERAL LAW OR REGULATIONS

The Proposal is not mandated by federal law or regulations.

OTHER STATUTORY REQUIREMENTS

No other requirements are specific to the Commission, to any specific regulation, or class of regulations.

LOCAL MANDATE

The Commission has determined that the proposed changes do not impose a mandate on local agencies or school districts.

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FISCAL IMPACT

There is no cost to any local agency or school district requiring reimbursement pursuant to Government Code, Section 17500 et seq.

No other state agencies are affected other than savings to the Commission. The Proposal does not impose any non-discretionary cost or savings upon local agencies. The Proposal will not affect any cost or savings in federal funding to the State.

HOUSING COSTS

The Proposal has no significant effect on housing costs. Over the long term, applicants would save minor costs of applying for short-lived extensions, such as the application fee, working with staff on the filing of the application, and attending or being represented at the Commission hearing for an extension.

SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY TO COMPETE

The Commission has made an initial determination that the Proposal will not have any significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

STATEMENT OF THE RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The Commission has determined, pursuant to Government Code Section 11346.3(b)(1)(A)–(D), that the proposed changes will not have an effect on: the creation or elimination of jobs within the state; the creation of new businesses or elimination of existing businesses within the state; or the expansion of business currently doing business within the state. The Proposal does not affect the health and welfare of California residents and does not affect worker safety.

The primary benefits of the proposal include promoting affordable housing statewide by extending the time for 100% affordable housing projects to vest. The saved efficiency helps such projects get built, supporting social equity.

Furthermore, the proposal advances the commission's mandate to promote environmental justice and align to the governor's objectives to address homelessness, increase housing availability, and improve affordability. The Commission ties the ability to live near the coast to the state Constitutional duty to maximize public access for all (Pub. Resources Code, § 30210), to cluster development (§ 30250), and, via clustering and allowing increased density, to minimize emissions (§ 30253(d)). Those benefits in turn can promote environmental benefits including the protection of open space, the use of public transit, and the promotion of environmental justice.

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Title 14, Division 5.5, California Code of Regulations**

COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

BUSINESS REPORT

No business reports are required.

SMALL BUSINESS

The Commission has determined the Proposal does not affect small business in terms of cost impacts. Small businesses chiefly interact with the Commission as applicants for coastal development permits. The Proposal does not create any affirmative requirements for applicants.

ALTERNATIVES STATEMENT

In accordance with Government Code Section 11346.5(a)(13), the Commission must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be:

- more effective in carrying out the purpose for which the action is proposed;
- as effective and less burdensome to affected private persons than the proposed action; or
- more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Commission invites interested persons to present statements with respect to alternatives to the Proposal during the written comment period.

CONTACT PERSON

Written comments and inquiries regarding the Proposal may be submitted to rulemaking@coastal.ca.gov, or directed to:

Ms. Robin M. Mayer
Senior Attorney
California Coastal Commission
455 Market St., Suite 300
San Francisco, CA 94105
(415) 904-5220
robin.mayer@coastal.ca.gov

BACKUP ONLY, contact:
Ms. Claire Wilkens

NOTICE OF PROPOSED ACTION
CALIFORNIA COASTAL COMMISSION
Title 14, Division 5.5, California Code of Regulations

Attorney
California Coastal Commission
455 Market St., Suite 300
San Francisco, CA 94105
(415) 729-1227
Claire.wilkens@coastal.ca.gov

AVAILABILITY STATEMENTS

The Commission has established a rulemaking file for this regulatory action, which contains those items required by law.

As of the date this Notice is published, the rulemaking file consists of the Notice, the Proposed Text (amending two existing regulations), the Initial Statement of Reasons, and all information upon which the proposed rulemaking is based. The Proposed Text, Initial Statement of Reasons, and supporting materials may be viewed or downloaded from the Commission's rulemaking page at <https://coastal.ca.gov/rulemaking/>.

Additionally, the documents are available on request from the agency contact listed in this Notice. The file is available for inspection at the Commission's office at 455 Market St., Suite 300, San Francisco, California. Please contact robin.mayer@coastal.ca.gov in advance to make arrangements.

AVAILABILITY OF SUBSTANTIAL (15-DAY) CHANGES

After the written comment period ends and following the close of the November 5, 2025 hearing, the Commission may adopt the Proposal as described in this Notice, without further notice of nonsubstantive changes. However, the Commission may modify the Proposal prior to the vote, if substantial changes are sufficiently related to the original Proposed Text (the text of the proposed changes to the regulations). While not anticipated at this time, if sufficiently-related changes are proposed for Commission consideration, the Proposed Text with the additional changes in double-underline and ~~double-strikethrough~~ will be posted to the Commission's rulemaking page, transmitted to interested persons, and made available from the agency contact listed in this Notice. The changes will be made available at least 15 days in advance of the hearing. (See Cal. Code of Regs., tit. 1, § 44.)

MORE INFORMATION ON THE PUBLIC HEARING

A public hearing regarding the Proposal is scheduled for 9AM, Wednesday, November 5, 2025 as part of the Executive Director's Report at the Commission's regular meeting. To view the hearing, go to the Commission's website at <https://coastal.ca.gov/>, and click on Meetings/Live Stream.

NOTICE OF PROPOSED ACTION
CALIFORNIA COASTAL COMMISSION
Title 14, Division 5.5, California Code of Regulations

The meeting will take place at:

Holiday Inn Sacramento Downtown
300 J. St.
Sacramento, CA 95814

MORE INFORMATION ON WRITTEN COMMENTS AND LIVE TESTIMONY

Any interested person may submit written comments relevant to the Proposal to the Commission. Send written comments to rulemaking@coastal.ca.gov, preferably as a .pdf attachment; however, no particular format is necessary for e-mailed comments. Alternatively, mail comments to: Rulemaking, Legal Division, 455 Market St., #300, San Francisco, CA 94105. To be considered by the Commission during the public hearing on November 5, 2025, written comments should be received by the close of business on Monday, November 3, 2025. Late comments cannot be posted to the Commission website in time for Commission consideration. It is not possible to distribute written comments at the hearing, as it is a hybrid hearing involving virtual attendance by staff and the public. However, staff will summarize any late comments during its oral presentation.

Commenters may testify live and present materials (such as videos or slideshows) at the hearing. To comment live at the hearing or to present materials, see the virtual hearing procedures at <https://documents.coastal.ca.gov/assets/virtual-hearing/VIRTUAL-HEARING-PROCEDURES.pdf>. See also, general meeting procedures at <https://www.coastal.ca.gov/meetings/rules-procedures/>.

FINAL STATEMENT OF REASONS

The Commission is required to prepare a Final Statement of Reasons before submitting the Proposal to the Office of Administrative Law. Once prepared, the Final Statement of Reasons will be made available to anyone who requests a copy and will be available on the Commission's rulemaking page, at <https://coastal.ca.gov/rulemaking/>. Written requests for copies should be addressed to the agency contact identified in this Notice.

INTERNET ACCESS

All rulemaking documents and materials may be viewed and downloaded from the Commission's rulemaking page at <https://coastal.ca.gov/rulemaking/>.

CALIFORNIA COASTAL COMMISSION

455 MARKET STREET, SUITE 300
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PROPOSED TEXT
AFFORDABLE HOUSING VESTING REGULATIONS
§§ 13156, 13169

§ 13156. Contents of Permits.

...

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**MAILING STATEMENT**

Rulemaking Z-2025-090-06

The Coastal Commission complied with the provisions of Government Code Section 11346.4(a)(1) through (4) regarding the mailing of the Notice of Proposed Action at least 45 days prior to public hearing and close of the public comment period.

No person filed a request for notice of regulatory actions prior to the comment period. (After the Notice was published, a commenter requested notice for future rulemakings regarding housing issues.) On September 8, 2025, the Commission emailed the Notice to the California Natural Resources Agency. The Commission was not able to discern small business enterprises that create affordable housing by the time of the mailing. However, the Commission was in frequent contact with a policy group that specifically asked and supported the rulemaking and sent their representative a link to the NOPA package on September 23, 2025.

In the judgment of the Commission, emailing hearing notices is a more effective way to encourage participation in the rulemaking as they are timely and email is more likely to be read; additionally, such notice is required to be transmitted to interested persons at least ten days before the hearing. (Cal. Code of Regs., tit. 14, §§ 13016, 13016.) Thus, on October 23, 2025, the Commission emailed a notice of the November 5th hearing, along with links to the Commission's rulemaking and agenda pages, to more than 50 housing groups. Additionally, on October 24, 2025, a meeting notice with a link to the agenda was emailed to more than 3150 subscribers to Commission announcements.

INITIAL STATEMENT OF REASONS

California Coastal Commission Regulation Amendments
Title 14, Sections 13156 and 13169

PROBLEM STATEMENT

Housing developers have expressed to Commission staff, and independent research supports, that compiling sufficient public funding to build affordable housing is particularly onerous in California. Developers must navigate multiple agencies and departments at both the state and local level.

According to analysis from UC Berkeley, “Projects with three to five additional public funding sources take nearly two years (on average) between the first funding application and their award.”¹ Projects with six or more public funding sources, which may be necessary for complex projects serving the unhoused, for example, need more than 30 months on average to secure full financing.²

Developers have informed Commission staff that they cannot apply for funding without a coastal development permit in hand – meaning not only that the Commission has approved their project but that all prior-to-issuance special conditions have been met and the permit issued. Thus, the current regulation provision that requires vesting³ in two years (tit. 14, § 13156(f)) creates an impracticable deadline that is expensive for the applicants and the Commission without creating any benefit, since in practice an affordable housing project cannot vest in two years. A companion provision (§ 13169(a)) allows an approved extension for the project that lasts only a year from the two-year expiration date. Part of that year is taken up by bringing the extension application to the Commission, so that in effect, the extension may last for several months at the most.

Affordable housing advocate Natalie Spievack describes the problem in further detail:

Even after land use entitlements are approved, financing affordable housing is a lengthy process. Developers must apply for various state and federal subsidies. Many of these subsidies are offered only once per year,

¹ Reid & Tran, UC Berkeley Terner Center for Housing and Innovation, “Reducing the Complexity in California’s Affordable Housing Finance System” (April 21, 2025) p. 4. Available at <https://ternercenter.berkeley.edu/blog/reducing-the-complexity-in-californias-affordable-housing-finance-system/>.

² *Id.* at p.5, Figure 2.

³ The vesting of a project is important to applicants so that they can finish their projects in full confidence that changes in the law will not disrupt the project. California is considered a late-vesting jurisdiction. Very generally, vesting requires “substantial work” in reliance upon an issued permit; however, once gained, vesting locks in the land use law in effect at the time. (See *Avco Cnty. Devs., Inc. v. S. Coast Reg'l Com.* (1976) 17 Cal.3d 785, 791.)

INITIAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

and a developer must win multiple, unaligned competitions to achieve full financing. This process can easily take three to five years after the Coastal Commission approves a project. Moreover, if there is any uncertainty as to whether or not a Coastal Development Permit will be extended, a project can become ineligible for funding, as the entitlement must remain in place through construction closing (typically six months after the final funding award is received). Because it is nearly impossible to secure financing and close within two years, issuing CDPs with an initial five-year duration will resolve uncertainty and better align with the affordable housing development process.

PURPOSE

The Proposal would amend two provisions in Title 14, Sections 13156(g) and 13169(a), to allow a 100% affordable housing project to vest in five years, rather than two; and to allow an approved extension (to allow vesting) to last for two years, instead of one.

The purpose is to fulfill the Commission's mandate to encourage affordable housing in California (Pub. Resources Code, § 30604(f), see also subds. (g) and (h)), and to implement feasible time frames for the vesting and extension of affordable housing approvals. The Proposal makes other minor changes to clarify and update the regulations.

NECESSITY

By lengthening the initial time to vest (from two years to five years) and the extension periods (from one year to two), the proposed amendments would eliminate unproductive cycles of applications, hearings, and compliance for affordable housing projects that by their funding requirements need more time to vest.

Other edits are to clarify and update the regulations. In Section 13156(g), the first sentence is struck out as convoluted. The next sentence replaces the first one, with the addition of excluding 100% affordable projects. The third sentence expresses the main purpose of the amendment, which is to allow 100% affordable housing projects five years to vest (e.g., begin construction). The clause regarding manager units is to clarify that living quarters for housing managers need not be affordable for the project to be considered 100% affordable. Finally, the last sentence corrects that the Notice of Intent to issue a permit (not the permit itself) should express the requirement to return for an extension before the approval (not the permit) expires. Finally, the Reference Note adds Public Resources Code, Section 30604(f), the statutory provision that is being implemented, interpreted, and made specific.

In Section 13169, "regional commission" is deleted as regional commissions no longer exist. "Commission" is capitalized as part of a long-term effort to distinguish the regulations govern a specific Commission. "Permittee" replaces applicant as a more

INITIAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

accurate expression of who seeks an extension. The addition of “For 100% affordable... two-year period” expresses the main purpose of the amendment, which is to allow 100% affordable housing projects an extension period of two years, instead of one. The clause regarding manager units is to clarify that living quarters for housing managers need not be affordable for the project to be considered 100% affordable.

ECONOMIC IMPACT ANALYSIS

Pursuant to Government Code Section 11346.3(b)(1)(A)–(D), the Commission has conducted an economic impact analysis for the proposed amendments to the regulations (Proposal).

Creation or Elimination of Jobs within the State of California

The primary way in which business interacts with the Commission is by applying for coastal development permits. The Proposal relieves certain applicants from cycles of applications, hearings, and compliance before their development vests, which practicably takes many years. Therefore, the impact is one of relief, albeit minimal relief, from interim regulatory requirements. Due to the minor impact, no jobs in California will be created or eliminated.

Creation of New or Elimination of Existing Businesses within the State of California

The impacts neither create new businesses nor eliminate existing businesses within the state.

Expansion of Businesses Currently Doing Business within the State of California

As above, the primary way in which the Commission interacts with business is via applications for coastal development permits. There are no impacts that would expand a business currently doing business within the state.

Benefits of the Regulations to the Health and Welfare of California Residents, Worker Safety, and the State’s Environment

Anticipated Benefits: The chief benefit will be to help create affordable housing in California through the easing of regulatory requirements. This not only helps the Commission’s mandate to encourage affordable housing and promote environmental justice but helps implement the Governor’s goals, as expressed in his recent reorganization announcement,⁴ to further the development of affordable housing in the state.

⁴ Governor Newsom restructures state government to combat homelessness, boost housing and affordability (July 11, 2025), available at <https://www.gov.ca.gov/2025/07/11/governor-newsom-restructures-state-government-to-combat-homelessness-boost-housing-and-affordability/>.

INITIAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

The Proposal is expected to save time and resources for both the applicants of 100% affordable housing projects and the Commission. With a longer time frame for their projects to vest, the applicants need not spend time and money applying for extensions that are too short to be useful (essentially requiring a cycle of extensions until the project can vest), saving the Commission from having to process those applications.

Due to the encouragement of affordable housing in California, the Proposal generally benefits social equity. The Proposal does not directly affect public health and safety or worker safety. As described below, the Proposal may indirectly benefit the environment.

STUDIES, REPORTS, AND DOCUMENTS

The Commission did not rely on any particular study, report, or document for these amendments.

BENEFITS

In addition to supporting the Governor's and Commission's goals to encourage the building of more affordable housing, the Proposal indirectly supports other Coastal Act policies that are linked to housing.⁵ The Commission ties the ability to live near the coast to the state Constitutional duty to maximize public access for all (Pub. Resources Code, § 30210), to cluster development (§ 30250), and, via clustering and allowing increased density, to minimize emissions (§ 30253(d)). Those benefits in turn can promote the protection of open space, the use of public transit, and the correction of environmental injustice.

The Proposal does not directly affect public health and safety or worker safety.

REASONABLE ALTERNATIVES TO THE REGULATION AND THE AGENCY'S REASONS FOR REJECTING THOSE ALTERNATIVES

No reasonable alternatives have been proposed or considered, including alternatives that would lessen any adverse impact on small business. The Proposal does not adversely impact small business. The primary way in which business entities interact with the Commission are as applicants for coastal development permits. The Proposal does not affect the duties of applicants as no affirmative compliance is required.

No alternatives have been proposed as less burdensome and equally effective in achieving the purposes of the regulation in a manner that achieves the purposes of the statute.

⁵ See various discussions of Coastal Act policies at <https://www.coastal.ca.gov/Housing/>.

INITIAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

PERFORMANCE & PRESCRIPTIVE STANDARDS

The Proposal does not prescribe any new standards.

Technology: No specific technologies or equipment are required to be used.

Procedures: No new procedures are added.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Commission determines the proposed changes will not have a significant adverse economic impact on business. The primary way in which business entities interact with the Commission are as applicants for coastal development permits. The Proposal does not affect the duties of applicants as no particular compliance is required.

DUPLICATION OR CONFLICT WITH FEDERAL REGULATIONS

The Commission is a regulatory agency under the California Natural Resources Agency. The Proposal relaxes particular deadlines for applicants proposing affordable housing. As applicable only to Commission matters, the changes do not duplicate or conflict with federal regulations.

Transcript of California Coastal Commission hearing
Wednesday Nov. 5, 2025, Item 6(g)

Chair Harmon • 0:09 - 0:17

[Trail] item (e) and (f) for the moment and move to item 6(g), Changes to Commission regulations. Thank you.

Sarah Christie, Legislative Analyst • 0:20 - 1:00

Good morning Chair and Commissioners. This next item is a proposal to extend the length of time for an affordable housing project to break ground, or vest, its coastal development permit. The current timeframe for vesting, which applies across the board to all types of development, is two years from the issuance of the CDP with the option for annual one-year extensions if construction has not yet begun. This reg change would extend those timeframes for 100% affordable housing projects to five years from permit approval with the option to request two-year extensions if needed. Robin Mayer from our legal team will get into the details in a minute.

Sarah Christie • 1:01 - 1:43

But first we wanted to give you a little context on why and how this is before you today. This idea was proposed by affordable housing developers and advocates as part of a broader conversation about how to increase affordable housing in the coastal zone without sacrificing coastal protections. As you know, this is a high priority for the Commission. So when they explained how challenging their funding process is and proposed this as a way to increase certainty in that process, we immediately agreed, and suggested that it could be accomplished through a simple reg change. But importantly, regulations can only provide specificity for how to implement existing law.

Sarah Christie • 1:44 - 2:24

The Coastal Act section that will be furthered by this reg change is Section 30604(f), which directs the Commission to encourage housing opportunities for persons of low and moderate income. The proposed change is a tangible expression of that general mandate. But that mandate used to be much stronger. And for the benefit of new Commissioners and the public, I'd like to briefly touch on that history. The 1976 Coastal Act originally contained a much stronger policy that treated affordable housing as a coastal resource under Chapter 3 and charged the Commission with, quote, "protecting and providing" for it.

Sarah Christie • 2:25 - 3:26

This gave the Commission the same level of legal authority over affordable housing as we currently have over public access, wetlands, sensitive habitats, and other coastal resources and priority uses. In the first five years of the program, the Commission prevented the demolition of over 1100 existing affordable units, required the construction of about 5,000 new deed-restricted units, and collected \$2 million in in-lieu fees. Unfortunately, the Legislature repealed this policy in 1981, and we've been unable to

participate in a meaningful way in the affordable housing space ever since. Nevertheless, we're listening closely to affordable housing developers and advocates, to find ways to encourage and streamline affordable coastal housing. The Commission's work on SB 484 last session is just one example of how we're thinking creatively about ways to improve our process without weakening Coastal Act policies.

Sarah Christie • 3:27 - 3:43

This proposed reg change is another, and we're continuing to talk internally and with affordable housing and NGO stakeholders about smart ways to further our mutual goal of increasing affordable housing in the coastal zone. Now I'm going to turn it over to Robin Mayer.

Robin Mayer, Senior Attorney • 3:46 - 4:06

Thank you, Sarah. Good morning, Chair Harmon and Commissioners. Staff is proposing changes to the Commission regulations in Title 14 of the California Code of Regulations. The purpose of the amendments, as Sarah touched on, is to promote the development of affordable housing by expanding the current periods for vesting permits and for extensions.

Robin Mayer • 4:07 - 4:37

The Notice of the proposed rulemaking was published in the California Regulatory Notice Register on September 19, 2025. Publication began a 45-day public comment period, which ended this past Monday. Simultaneous with publication, all materials were posted on the Commission's rulemaking page, including the Notice, the text, and the rationale for each change, known as the Initial Statement of Reasons. These same materials are also supplied as exhibits to the staff report.

Robin Mayer • 4:38 – 5:12

The proposed amendments affect sections 13156 subdivision (g) and 13169 subdivision (a). The amendments to Section 13156 expand the time for 100% affordable housing projects to vest from two years to five years. The amendments to Section 13169 expand the time for the extension of permits, basically extending the vesting period for 100% affordable housing projects from one year to two years. The proposal makes other minor clarifying changes in the same regulations.

Robin Mayer • 5:13 - 5:38

Two comments were received during the formal comment period. Comments are posted on the correspondence section for this item and an addendum has been distributed under the addendum tab that responds to the comments. A late comment came this morning from the Venice community housing group that expressed support for the staff recommendation.

Robin Mayer • 5:38 - 5:50

Under rulemaking law, substantive changes to the proposed amendments to the text require an additional round of noticing with an additional comment period. That process if it happens would delay adoption by perhaps a few months.

Robin Mayer • 5:51 – 6:15

Assuming adoption by the Commission, legal staff will submit the administrative record and other materials to the Office of Administrative Law (OAL). The final rulemaking package, including any changes to the text and to the final statement of reasons, will be posted to the Commission's rulemaking webpage. OAL will review the proposed changes according to six standards, including the standards of necessity and clarity.

Robin Mayer • 6:15 - 6:41

Following review by OAL, the amended regulations, if and as approved, will be filed with the Secretary of State and published in the California Code of Regulations. Staff anticipates that the regulation changes will be effective by April 1st, 2026. Staff recommends adoption of the proposed amendments to Commission regulations. The motion is on page three of the staff report, and I'm available to answer any questions.

Chair Harmon • 6:41 - 6:45

Great. Thank you very much. Are there any public comments on this item?

Chris Lee, Staff Services Analyst • 6:46 - 6:53

Yes, we have six speakers signed up. We'll start with those in the room, Natalie Spievack, Tiyesha Watts and then Susan Jordan.

Natalie Spievack, Housing California • 6:59 - 7:28

Got it. Thank you. Good morning, Commissioners. My name is Natalie Spievack and I'm the Senior Policy Manager at Housing California, a statewide nonprofit organization focused on producing and preserving affordable housing, ending homelessness, and protecting renters. I want to start by thanking Coastal Commission leadership, in particular Director Hucklebridge, Sarah Christie, and Sean Drake, for their dedication and partnership over the last year to making it easier to build affordable housing in the coastal zone.

Natalie Spievack • 7:29 - 8:12

The proposed regulatory change before you is just one example of the Commission's proactive and self-imposed work to make sure that low-income people can afford to live in our state's coastal communities. We wholeheartedly support the regulation amendments, which would lengthen the time for Coastal Commission approvals of 100% affordable housing projects to vest and be extended. We worked closely with our nonprofit developer members to validate the need for this change. After an affordable housing project receives its land use entitlements, it has to cobble together various state, local, and funding sources before it can begin construction. This is a lengthy process in which developers have to apply to various funding programs, many of which are offered only once a year.

Natalie Spievack • 8:12 - 8:56

These programs are extremely competitive, with funding for some programs oversubscribed at a rate of 10 to 1. This process can easily take three to five years after the Coastal Commission approves a project. And if there's any uncertainty as to whether or not a coastal development permit will be extended, state housing agencies can deem a project ineligible for funding because the entitlement must remain in place through construction closing, which is typically six months after the final funding award is received. Because it's nearly impossible to secure financing and reach construction closing within two years, issuing CDPs with an initial five-year duration will resolve uncertainty and better align with the affordable housing development process. Thank you and we urge you to accept this important regulatory change.

Tiyesha Watts, California Housing Partnership • 9:05 - 9:28

Good morning, Commissioners. My name is Tiyesha Watts. I'm the Policy Director for the California Housing Partnership, California's resources on sustainable housing finance. Our mission is to increase and preserve the supply of affordable and climate resilient homes for Californians with low incomes. First, I want to thank the Commission and staff, especially, for your leadership in addressing barriers to affordable housing in the coastal zone.

Tiyesha Watts • 9:28 - 10:14

The California Housing Partnership is proud to have worked alongside Commission staff on this important regulatory change, and we strongly support its adoption. The proposed amendments to extend the vesting period for 100% affordable housing from two years to five and the extension period from one year to two reflects a deep understanding of how affordable housing is actually built. Assembling finance for affordable housing is complex and time consuming, often taking three to five years as developers compete for multiple state and federal funding programs. These programs are highly competitive and typically open once per year with demand outpacing available funds by ratios 10 to 1. Because of this, the two-year vesting period under the current regulation creates an impractical and costly cycle of extensions and reapplications.

Tiyesha Watts • 10:15 - 10:58

Developers can't even apply for critical funding until a coastal development permit is issued and all special conditions are met. By the time financing is assembled, the permit is often at risk of expiring. Because of this, the two-year vesting period under the current regulation creates an impractical, costly cycle. In state and federal funding competitions, readiness is a key scoring criterion. A project with an expiring coastal development permit can lose competitiveness entirely, meaning that even well-planned developments can fall apart due to timing alone. These proposed changes will give developers a realistic window to complete financing and move construction without unnecessary administrative delays.

Tiyesha Watts • 10:58 - 11:09

Thank you again for your leadership, collaboration, commitment to ensuring that low-income Californians can live and thrive in our coastal communities. We look forward to continuing to partner with you all in making this vision a reality.

Chris Lee • 11:11 - 11:18

Thank you. Susan Jordan, and then after Susan will be Becky Dennison, Linda Lucks, Casey Olsen.

Susan Jordan, California Coastal Protection Network • 11:20 - 12:24

Susan Jordan, Director of the California Coastal Protection Network. For several years, a number of environmental and environmental justice groups, including CCPN, Surfrider, Azul and EAC Marin, have been working to develop strategies to advance affordable housing in the coastal zone. Just over a year ago, we were very lucky that the Resources Legacy Fund hosted a series of formal meetings that brought together both our groups with the affordable housing activists and developers, two of which just testified in front of you, and including the next speaker, Becky Dennison, who at the time was with the Venice Dell Project. The goal was to develop common ground and strategies to increase affordable housing in the coastal zone. Early on, the affordable housing members made it clear to us that it would be extremely helpful if the terms for coastal development permits were extended to provide them with greater flexibility as they navigated the often complex funding deadlines they face. After a quick call, of which then it turned over to the those folks and staff,

Susan Jordan • 12:24 - 13:24

staff immediately jumped into this, into action and worked with these groups to craft a solution that works for all parties. That solution, as you've heard, which is the recommended regulatory change before you, which extends the permit from two years to five years and the extension from two years, from one year to two years. I should mention that making a regulatory change, I mean this was one way we felt that we could move this forward and support it that would not require legislation, which hits many roadblocks during its way through the Legislature and we thought a little bit risky and actually not needed in this particular case. But that said, there's a lot of work that goes into changing your regulations and your staff really deserves a commendation for sticking with it. You don't see regulatory changes very often, but this is an extremely important one and I think it's going to have a real-life change in how things move forward. Thank you.

Chris Lee • 13:27 - 13:37

Thank you. We did get an additional sign up, so we have four left. Becky Dennison, Linda Lucks, Casey Olsen, and then Adam Leverenz. Becky Dennison, go ahead.

Becky Dennison, Legal Aid Foundation of Los Angeles • 13:38 – 14:12

Good morning. I'm Becky Dennison with Legal Aid Foundation of Los Angeles. We've worked on the Coastal Commission policy issues for more than 20 years, representing low-

income communities and a variety of coastal access issues. I also, as Susan mentioned, worked at Venice Community Housing for many years prior to this role. We completed three projects in the coastal zone during my time there, but this occurred after a 20-year period with no 100% affordable housing developments in that community. I was also part of the working group that was mentioned, and we are really encouraged to see our work lead to informing this important regulatory change.

Becky Dennison • 14:13 - 14:52

The proposed changes are critical for the Coastal Commission in facilitating more affordable housing development, which I know is a goal for many of you. The financing system, as has been mentioned, for affordable housing is incredibly complex and often requires multiple applications over many years. Delays are common despite the best efforts of affordable housing developers. Having the certainty of a timeframe that allows for these unique challenges is critical to increasing affordable housing in the Coastal Zone. Otherwise, the potential or perceived risks of developing in the Coastal Zone will continue to discourage developers from pursuing these important sites.

Becky Dennison • 14:52 - 15:20

We know that most housing in coastal communities has become completely out of reach for low- and moderate-income people. And so by creating regulations like these that account for the time needed to move affordable housing from concept to construction, we can begin to change that. We hope that you will agree and vote to approve this item and Legal Aid would be happy to work with staff and others and our colleagues in the working group to ensure that implementation of the new regulation achieves its goals. Thank you.

Chris Lee • 15:21 - 15:25

Thank you. Next, Linda Lucks, Casey Olsen, Adam Leverenz. Linda Lucks.

Linda Lucks • 15:28 - 15:31

Dear Commissioners. Yes, hello.

Chris Lee • 15:32 - 15:33

Hi, we can hear you.

Linda Lucks, Venice Community Housing • 15:33 – 16:21

Oh, you can. Okay. Okay. Venice Community Housing very much, very much appreciates the work that has been done on this item and the staff recommendation. As an affordable housing developer committed to expanding access to housing opportunities, we strongly support this proposal. There's a critical need for more affordable housing, particularly within the coastal zone, where high land and development costs have long limited opportunities for lower- and moderate-income households. The proposed change will help remove barriers and create a more feasible path to delivering much needed affordable homes in this area. We urge your support to advance policies that make inclusive coastal communities possible. Thank you so much.

Chris Lee • 16:22 - 16:31

Thank you. Next, Casey Olsen or Casey Denson, you have a couple of names, I think, and then Adam Leverenz. Casey, go ahead.

Casey Olsen, Environmental Action Committee of West Marin • 16:34 - 17:11

Commissioners, my name is Casey Olsen and I am the Legal and Policy Fellow with the Environmental Action Committee of West Marin or EAC. Our mission is to protect and sustain unique lands, waters, and biodiversity of West Marin. We support the staff's recommendation to adopt the proposed amendments to Commission regulations for the extension of 100% affordable housing permits from two years to five years, as this would make affordable housing projects more feasible and efficient without eroding protections for coastal resources. We are based in Marin County, which like many places in California faces an affordable housing crisis. Many of our beloved community members who work here cannot even afford to live here and many who do are being priced out.

Casey Olsen • 17:12 - 17:27

As an environmental organization that is also invested in the well-being of our communities, we are excited to see meaningful and collaborative efforts from the Commission to advance affordable housing projects. We are deeply appreciative of the work the Commission has done and continues to do so on this important issue. Thank you.

Chris Lee • 17:28 - 17:30

Thank you. And then Adam Leverenz.

Adam Leverenz • 17:33 - 17:40

Hello again. Am I coming in?

Chris Lee

Yes, we can hear and see you.

Adam Leverenz • 17:41 - 18:21

Okay. I'm really encouraged by this. The first time I spoke before this Commission was in April of last year. And I shared the anguish of the Commission of having the scope and authority over affordable housing in the coastal zone, having been limited. I don't know if I have my video on, but behind me used to be a manufactured home park with about 55 units. The City acquired that and turned it into a very nice park, but that came at the loss of 55 units of affordable housing, which even when they were here, there was still coastal access.

Adam Leverenz • 18:22 - 19:07

In process right now, the City purchased like a 100-year-old triplex affordable housing due to its age right on the coast, right on the beach, actually, and they're going to bulldoze it and make a parking lot. And the staff materials I've seen at the City level for that make it sound

like if they wait out a long enough time period, they don't have to replace the affordable housing they're destroying with additional affordable housing. I don't know if that's the intent, but it's such a crisis, particularly in Newport Beach. And as you've heard, you know, for nearly two years, [garbled] affordable housing here in the form of the, the [garbled] permits. And I contend that Coastal does have authority to do something about that now.

Adam Leverenz • 19:08 - 19:37

State Lands seems to be buying into the City's plan to eliminate this form of highly regulated housing and, affordable housing is a crisis all over the Western U.S. Anywhere desirable, people have the means now to move to those places. And I'm sure everybody is aware of the problem. So I really hope this is a way Coastal can get its hands back into this issue. Thank you.

Chris Lee • 19:39 - 19:41

Thank you. There are no more speakers.

Chair Harmon • 19:42 - 19:48

Great. Thank you very much. With that, I will return to the Commission and I'll begin with Commissioner Escalante.

Commissioner Escalante • 19:50 - 20:08

Thank you, Madam Chair. And I'll be quick. First, congratulations to staff for getting to this point. Really commendable work. And especially, I really appreciate the collaboration with the advocates and with the affordable housing developers.

Commissioner Escalante • 20:08 - 21:04

And in particular, I think that establishing those relationships, deep relationships, long lasting will be very beneficial to our mutual goals of developing more affordable housing in the coastal zone for sure. So this is hopefully just the first big step in that. But I do look forward to building on that. And for sure, I think that this will be, next year will be a good opportunity to roll out an education campaign in the Legislature to highlight some of this, you know, movements that we've, you know, made towards this and also express our intention to do more to hopefully reverse what was done with the Mello Act and bring the authority to the Commission of providing more affordable housing in the coastal zone.

Commissioner Escalante • 21:05 - 21:53

So this is just an invitation for you guys to continue building that relationship with us, of course, in the Commission and staff we have very talented people and look forward to hopefully, you know, having some meetings next year to talk about some of this progress that we've made. And I don't know, we can, like, have a little two sheet or some, like, a two sheet paper or a little short white paper, something that we can walk around with and, and kind of show where we've been and where we're at with, with housing and the Coastal Commission to, you know, pick away at some of the reputation issues that we have and

build momentum forward to getting the things done that we want to achieve. So thanks everybody. Very excited to vote for this. Thank you.

Chair Harmon • 21:53 - 22:09

Vice Chair Hart.

Vice Chair Hart

Thanks so much. I really want to second my appreciation for you, Robin, Sarah, and everyone that worked on this. I know how hard it is to get these kind of regulations changed, and this is just so impactful.

Vice Chair Hart • 22:09 - 23:20

I just want to express my appreciation and of course to you, Dr. Hucklebridge, for leading this effort. I want to call out just really briefly the addendum in response to a letter that was received, and I'm not sure everyone saw this, but I think it's really important to call out because in the letter of a housing advocate for a person who advocates for all, all housing for all levels of income, asked why the regulation amendments to lengthen the vesting and extension periods are for affordable housing projects only and not for other types of housing projects. I think it's very important to everyone to understand that affordable housing projects need this kind of change in the rule because unlike privately funded for-profit developments, these projects face particular challenges when seeking finances, namely the funding process involves multiple sources that cannot be secured until after permit approval is in hand. And that's why we are focused on 100% affordable housing projects. I really appreciate the addendum calling that out in response to the letter. Thank you.

Chair Harmon • 23:21 - 23:23

Thank you. Commissioner Preciado.

Commissioner Preciado • 23:28 – 24:20

Relearning how to use Zoom apparently. I think one of the most important things that I've been able to learn as a member of a local government is the time frames are not what one would expect, even with the pressures of building affordable housing. I celebrate our path forward with adopting these new regulations. I think they're more consistent with what I've become familiar with in terms of how long it takes or how long it may take to see developments actually occur after permitting and financing and all the doldrums that are associated with development. I really appreciate the opportunity to see these changes take effect.

Commissioner Preciado • 24:22 - 25:06

And hope to continue to create tools that will enable additional housing access that is authentically affordable to the communities we all serve. And I don't know if there's another list or a list in the background of other tools or strategies or tactics we can

embrace. But I think this is important work and I hope all of you who have been working on this, on the staff and on the Commission, can feel progress being made. Thank you.

Chair Harmon • 25:08 - 25:09

Thank you. Commissioner Wilson.

Commissioner Wilson • 25:11 - 25:42

I think I actually wrote something down so that I wouldn't subject everyone to my normal screed, so I know, I know, get used to it. No, maybe, maybe not. Okay, I just want to say that the Coastal Commission has a long and consistent record of supporting affordable multifamily and workforce housing in our coastal communities. And it's certainly an arc that since I've been on this Commission, we've been working on very hard.

Commissioner Wilson • 25:44 - 26:28

These homes are essential to the social fabric of our coast. They provide the opportunities for people who work in coastal businesses, serve our visitors, and help sustain the vitality and diversity of our coastal towns and really quite frankly the authenticity of those towns. In my mind, affordable housing is critical infrastructure. This proposal focuses specifically on 100% affordable housing projects because as staff has explained, these developments face unique challenges and they often rely on multiple funding sources as mentioned and that cannot be secured until after the coastal development permit is issued. These extensions provide a realistic and an accountable timeframe or timeline that supports project success.

Commissioner Wilson • 26:29 - 27:01

It's also important to note that this isn't something we can simply revise on the spot. Any change to our regulatory language will require restarting the rulemaking process. So it's important that we get this, you know, codified and so that we can move forward with that. I also want to note, and as I understand it, this change is not necessarily exclusionary. Under our existing process, the Commission already has an ability to work with developers to extend the vesting period for applicants who request it.

Commissioner Wilson • 27:01 - 27:15

So multifamily and other housing developers can continue to seek extensions in vesting periods when their project circumstances warrant it. It's not exclusionary. As much as I bump up against this,

Commissioner Wilson • 27:17 - 28:05

personally, we must stay grounded in our statutory authority. Regulations must implement the Coastal Act and not extend beyond it. That's where we're at. So this change is still directly tied to Section 30604(f), which directs the Commission to encourage affordable housing consistent with the coastal resources protection that we're obligated to do. So bottom line, affordable housing builders have told us they need this practical step to remove specific barriers to developing affordable housing in the coastal zone, and it

reflects the commission's continued commitment to ensuring that our coastal communities remain inclusive, livable, and economically sustainable for all. I'm willing to make the motion if that's the time to do that.

Chair Harmon • 28:05 - 28:09

Thank you. I'll come back to you. Commissioner Lopez.

Commissioner Lopez • 28:09 - 28:34

Yeah, thank you. I just want to thank staff for this pragmatic approach to really solve a big issue. I've built a lot of housing in my time as a supervisor in Monterey County. And I know that one of the key phrases I hear from community is "ver para creer," that is, see to believe. Because, we say the project's coming and then it doesn't happen because it takes so long to braid the funding streams, as we've talked about, to make it happen. After two, three years, they say, ah, you just lied like every other politician.

Commissioner Lopez • 28:35 - 28:54

Well, many of those projects have now been built. And then, of course, those folks are the first ones to come up and say, but how do I get in? Right. And I'm excited to share that with EAH, we are opening the doors to one of those facilities in the few weeks in Greenfield, 100 brand new units, all low income, not cheap. Even though it is affordable, it is not cheap.

Commissioner Lopez • 28:54 - 29:16

Seventy-seven million dollars, right, to build that facility. And as you think about what that cost is inland, you put the coastal factor on that. Putting together that kind of money just to build 100 units in a place. Real impact, real impact, but also real cost. It takes time to get buy-in to get people to understand that vision and to become a partner in that space and time.

Commissioner Lopez • 29:16 - 29:36

And so, I agree that this is the right approach. It gives us a runway necessary to bring partners on board with different projects and to move the needle on something we're committed to. So thank you to staff for working on this and having an approach that's pragmatic and is really going to bring change and shows that we're a partner at the table in a meaningful way. It means a lot to me. Thank you.

Chair Harmon • 29:36 - 29:38

Thank you. Commissioner Rodoni.

Commissioner Rodoni • 29:39 – 30:13

Thank you, Chair. I really want to applaud staff and the community for asking for this to be brought forward, in particular environmental groups that recognize the importance of this. You know, affordable housing is really difficult to build. 100% affordable housing is even more difficult. You add the coastal zone overlay onto that, makes it even more difficult. So having this slight change is a big deal for most of our affordable housing developers who

need the additional time to make their project work and find the necessary funding. I really applaud this and I'm happy to support this today.

Chair Harmon • 30:15 - 30:18

Thank you. With that, I'll turn it over to Commissioner Wilson.

Commissioner Wilson • 30:18 - 31:04

Thanks, and before I make this motion, I want to emphasize this is about the development of affordable housing. I really feel like, and we heard a little bit today from, folks who also talk about preserving affordable housing in the coastal zone. And I have to say that is a nut that's hard for us to crack. And anyone who watches the projects move through this organization can see that that in an aggregated sense, we are losing affordable housing in the coastal zone, through all kinds of projects and development. So I'm hoping that we can work together to do that as well, or address that as well.

Commissioner Wilson • 31:04 - 31:15

With that, I move that the Commission adopt the proposed amendments to the Commission regulations in accordance with staff recommendation. And I recommend a yes vote.

Commission Escalante

Second.

Chair Harmon • 31:16 - 31:24

Second. Okay, we have a motion by Commissioner Wilson, a second by Commissioner Escalante. They're asking for a yes vote. And we have a roll call vote, please.

Vanessa Miller, Executive Assistant • 31:28 - 31:29

Commissioner O'Malley.

Commissioner O'Malley • 31:29 - 31:29

Yes.

Vanessa Miller • 31:29 - 31:33

O'Malley, yes. Commissioner Escalante.

Commission Escalante

Yes.

Vanessa Miller • 31:33 - 31:39

Escalante, yes. Commissioner Hart.

Commissioner Hart

Yes.

Vanessa Miller
Hart, Yes. Commissioner Jackson.

Commissioner Jackson. • 31:39 - 31:39
Aye.

Vanessa Miller • 31:39 - 31:42
Jackson, yes. Commissioner Rodoni.

Commissioner Rodoni • 31:42 - 31:43
Yes.

Vanessa Miller • 31:43 - 31:45
Rodoni, yes. Commissioner Lopez.

Commissioner Lopez • 31:46 - 31:46
Yes.

Vanessa Miller • 31:47 - 31:49
Lopez, yes. Commissioner Notthoff.

Commissioner Notthoff.
Aye.

Vanessa Miller • 31:49 - 31:52
Notthoff, yes. Commissioner Preciado.

Commissioner Preciado • 31:53 - 31:53
Yes.

Vanessa Miller • 31:53 - 31:56
Preciado, yes. Commissioner Wilson.

Commissioner Wilson • 31:56 - 31:56
Yes.

Vanessa Miller • 31:56 - 32:00
Wilson, yes. Chair Harmon.

Chair Harmon
Yes.

Vanessa Miller • 32:00 - 32:08

Harmon, yes. The vote is unanimous.

Chair Harmon

Thank you. The motion passes. Thank you very much for your good work. Okay, with that, we will move back in time [to previous items].

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (Rev. 10/2019)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME California Coastal Commission	CONTACT PERSON Robin Mayer	EMAIL ADDRESS robin.mayer@coastal.ca.gov	TELEPHONE NUMBER (415) 505-5908
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Affordable Housing Vesting Amendments		NOTICE FILE NUMBER Z	

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

<input checked="" type="checkbox"/> a. Impacts business and/or employees	<input type="checkbox"/> e. Imposes reporting requirements
<input checked="" type="checkbox"/> b. Impacts small businesses	<input type="checkbox"/> f. Imposes prescriptive instead of performance
<input type="checkbox"/> c. Impacts jobs or occupations	<input type="checkbox"/> g. Impacts individuals
<input type="checkbox"/> d. Impacts California competitiveness	<input type="checkbox"/> h. None of the above (Explain below):

*If any box in Items 1 a through g is checked, complete this Economic Impact Statement.**If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.*2. The **California Coastal Commission** (Agency/Department) estimates that the economic impact of this regulation (which includes the fiscal impact) is:

<input checked="" type="checkbox"/> Below \$10 million
<input type="checkbox"/> Between \$10 and \$25 million
<input type="checkbox"/> Between \$25 and \$50 million
<input type="checkbox"/> Over \$50 million <i>[If the economic impact is over \$50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]</i>

3. Enter the total number of businesses impacted: **100-500**Describe the types of businesses (Include nonprofits): **Developers of affordable housing projects in the coastal zone**Enter the number or percentage of total businesses impacted that are small businesses: **less than 10%**4. Enter the number of businesses that will be created: **0** eliminated: **0**Explain: **The Proposal does not have such impact as to create or eliminate a business.**5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): **Coastal Zone**6. Enter the number of jobs created: **0** and eliminated: **0**

Describe the types of jobs or occupations impacted:

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? YES NO

If YES, explain briefly:

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (Rev. 10/2019)

ECONOMIC IMPACT STATEMENT (CONTINUED)**B. ESTIMATED COSTS** *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ 0

a. Initial costs for a small business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

b. Initial costs for a typical business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

c. Initial costs for an individual: \$ _____ Annual ongoing costs: \$ _____ Years: _____

d. Describe other economic costs that may occur: _____

2. If multiple industries are impacted, enter the share of total costs for each industry: _____

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.* \$ _____

4. Will this regulation directly impact housing costs? YES NO
If YES, enter the annual dollar cost per housing unit: \$ _____
Number of units: _____

5. Are there comparable Federal regulations? YES NO

Explain the need for State regulation given the existence or absence of Federal regulations: The amendments are specific to the Commission.

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ _____

C. ESTIMATED BENEFITS *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: e chief benefit of the proposal is to allow more time for aordable housing approvals and permits in the coastal zone to vest. This frees up developers from having to apply for extensions every two years, as the new period will be five years, and also allows approved extensions to last longer.

2. Are the benefits the result of: specific statutory requirements, or goals developed by the agency based on broad statutory authority?
Explain: Generally the Commission oversees development in the Coastal Zone, including permits for aordable housing.

3. What are the total statewide benefits from this regulation over its lifetime? \$ \$1.9 million

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: None known.

D. ALTERNATIVES TO THE REGULATION *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: The Commission considered shorter periods to vest such as three or four years, rather than the five years proposed. However, five years is a reasonable time for a project to vest with enough savings compared to the current regulation to aid the development of aordable housing.

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)****ECONOMIC IMPACT STATEMENT (CONTINUED)**

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ **\$1.9 million** Cost: \$ **0**

Alternative 1: Benefit: \$ **\$1.52m/1.14m** Cost: \$ **0**

Alternative 2: Benefit: \$ **0** Cost: \$ **0**

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives:

The longer the period of vesting not required, the more savings for the applicant.

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? YES NO

Explain: No prescriptive standards are proposed.

E. MAJOR REGULATIONS *Include calculations and assumptions in the rulemaking record.*

California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.

1. Will the estimated costs of this regulation to California business enterprises **exceed \$10 million?** YES NO

If YES, complete E2. and E3

If NO, skip to E4

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

YES NO

If YES, agencies are required to submit a [Standardized Regulatory Impact Assessment \(SRIA\)](#) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.

5. Briefly describe the following:

The increase or decrease of investment in the State: _____

The incentive for innovation in products, materials or processes: _____

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)****FISCAL IMPACT STATEMENT****A. FISCAL EFFECT ON LOCAL GOVERNMENT** *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

a. Funding provided in _____

Budget Act of _____ or Chapter _____, Statutes of _____

b. Funding will be requested in the Governor's Budget Act of _____

Fiscal Year: _____

2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

a. Implements the Federal mandate contained in _____

b. Implements the court mandate set forth by the _____

Court.

Case of: _____ vs. _____

c. Implements a mandate of the people of this State expressed in their approval of Proposition No. _____

Date of Election: _____

d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: _____

e. Will be fully financed from the fees, revenue, etc. from: _____

Authorized by Section: _____ of the _____ Code;

f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

3. Annual Savings. (approximate)

\$ _____

4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

5. No fiscal impact exists. This regulation does not affect any local entity or program.

6. Other. Explain _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)****FISCAL IMPACT STATEMENT (CONTINUED)****B. FISCAL EFFECT ON STATE GOVERNMENT** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ 0

It is anticipated that State agencies will:

a. Absorb these additional costs within their existing budgets and resources.

b. Increase the currently authorized budget level for the _____ Fiscal Year

2. Savings in the current State Fiscal Year. (Approximate)

\$ 0

3. No fiscal impact exists. This regulation does not affect any State agency or program.

4. Other. Explain Once the regulation takes effect and the Commission approves qualifying projects, the Commission will receive fewer applications to extend the approvals or permits that haven't vested. This saves time and resources.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

4. Other. Explain _____

FISCAL OFFICER SIGNATURE
DocuSigned by:

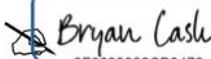

F08003470485450

DATE

09/08/2025

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY
DocuSigned by:


F00000002C88476...

DATE

09/10/2025

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

DATE



COST ESTIMATING METHODOLOGY

REGULAR RULEMAKING California Coastal Commission Regulation Amendments Title 14, Sections 13156, 13169

September 19, 2025

STATEMENT OF THE MANDATE

The proposed amendments to Sections 13156 and 13169 (Cal. Code of Regs., tit. 14) (“Proposal”) do not require local entities to undertake a new program or to provide an increased level of service in an existing program.

BACKGROUND

Section 30333 of the Public Resources Code provides that the Commission may adopt or amend rules and regulations to carry out the purposes and provisions of the Coastal Act (Division 20, Pub. Resources Code),¹ as well as to govern procedures of the Commission. Rules and regulations shall be consistent with the Coastal Act and other applicable law.

The Commission’s main responsibilities consist of considering applications for coastal development permits; certifying local coastal programs in order to delegate authority for local governments to issue their own coastal development permits; considering appeals of local permits; setting policy in coastal matters; conducting enforcement; and ensuring that federally-approved development in the Coastal Zone is consistent with the Coastal Act.

The Commission is acutely aware of California’s housing crisis and in particular, the unaffordability of housing statewide, including in the Coastal Zone.² To express just one of the many statistics of the crisis, almost 80 percent of low-income households in the state are “cost-burdened,” meaning they pay more than half their income toward housing.³ Generally the closer to the ocean, the more expensive the housing, with multi-million-dollar houses a common occurrence. (Ex. A.)

The Proposal would interpret, implement, and make specific Section 30604(f), the Commission’s mandate to encourage affordable housing in the coastal zone (see also § 30604, subds. (g) [policy to encourage affordable housing] and (h) [consideration of

¹ Unless otherwise specified, all further statutory references are to the Public Resources Code.

² The Commission’s web page on affordable housing offers extensive policy and analysis on the Commission’s approach, at <https://www.coastal.ca.gov/Housing/>.

³ *Id.*, see Background section.

COST ESTIMATING METHODOLOGY
REGULAR RULEMAKING
California Coastal Commission Regulations, Title 14, §§ 13156, 13169

environmental justice]), and to implement reasonable time frames for the vesting and extension of affordable housing approvals.

WORKING DATA

Costs

Because the Proposal lengthens the time of vesting for certain projects, those affected by the amendments need not perform any particular tasks and no compliance is required. Therefore, the Proposal does not create any costs for applicants, the Commission, interested persons (appellants), local government, other state agencies, or the public.

Savings

Overall, the Proposal's savings stem from lifting the necessity to apply for an extension when a project hasn't vested, which would ordinarily be the case for housing projects. Existing regulation Section 13156 requires applying for an extension within two years of Commission approval of the project. Lengthening that time frame to five years saves the costs of two extension applications (end of Year 2 and end of Year 4) and their associated considerations, such as the hearing. Existing regulation 13169 requires a single extension to last one year from the date of the last approval. Lengthening this period two years would save at least one extension application and possibly more if further extensions are needed. Under the Proposal, it is expected that each project applicant (developer) would save the costs of at least three extension applications and perhaps many more.

Applications per Year

As mentioned above, the Commission considers applications for coastal development permits as well as submittals of long-range planning matters, known as local coastal programs and their amendments. The number of permits illustrates the number of extension applications that are very likely to come in, and the number of planning actions is a long-term predictor of extension applications where certifications require affordable housing units to be built.

In recent years, the Commission's Statewide Planning division has tracked housing-related matters. From 2021-2024, four permit considerations approved 207 units of affordable housing, and three planning certifications would create 263 affordable units. Three of those matters created 100% affordable units. (Ex. B.) The number of developers (applicants) involved are assumed to be one per matter, for seven total or about two per year. For the purposes of this analysis, all future projects are assumed to be 100% affordable.

COST ESTIMATING METHODOLOGY
REGULAR RULEMAKING
California Coastal Commission Regulations, Title 14, §§ 13156, 13169

Value to Applicants of Fewer Extension Applications

The 2025-2026 fee for extension applications is \$1,569. (Cal. Code of Regs., tit. 14, § 13055(b)(1)(B)). There is no fee to applicants for appealed matters or for their indirect involvement with local coastal program amendments. The program amendments in turn would lead to permit applications, but it is not feasible to predict if those permit applications would be to the Commission, to the local government, or if to the local government, whether they would be appealable or appealed. However, housing projects are usually controversial in nature for the immediate area, and many appeals would be expected.

Other costs, while numerous, vary from application to application depending on factors such as environmental resources at or near the site, the necessity for technical experts such as geologists or biologists, and the cost of agents or attorneys. As further explained in the “Assumptions” section, a very conservative estimate of total costs would be \$10,000 per extension application. With the number of “prevented” extensions per project estimated at three, each applicant would save roughly \$30,000. With the number of affordable housing approvals per year estimated at two (though expected to increase), the economic savings per year of the regulation would be \$60,000.

Value to the Commission of Fewer Extension Applications

The savings would not increase income to the Commission, but would consist of time and associated resources saved, primarily by Coastal Program Analysts.

Coastal Program Analysts (Analysts) are responsible for the consideration of permits and their extensions. For consideration of extensions, much of their analysis has been completed for the original permit, but analysts must consider if there are changed circumstances on the ground or otherwise that merit deeper consideration. Analysts receive the application, review for completeness, work with the applicant when additional documentation is required, gather evidence, develop a recommendation, write a staff report and compile exhibits, send notices, present the item at the Commission hearing, and answer questions from the public, among other tasks.

An anonymous survey asked analysts how many hours it takes to process a relatively simple local coastal program amendment, which is roughly equivalent to the work involved in processing an extension application. Choices ranged from less than 16 hours to more than 120 hours. Twenty-six analysts responded, with the amount of time averaging to about 29 hours. (Ex. C, Analyst Hours Survey.) Although the number of working days a month varies, the 29 hours is calculated using a typical 168-hour month, such that processing an extension applicant would take 17.3 percent of the working hours for the month.

Analyst pay ranges from \$4928 to \$9638 (Ex. D, Analyst Salaries). As the greater population of analysts are at level II, the salary figure used is \$7328 a month. That

COST ESTIMATING METHODOLOGY
REGULAR RULEMAKING
California Coastal Commission Regulations, Title 14, §§ 13156, 13169

figure plus benefits (50% of salary)⁴ = \$10,992, times 17.3% = \$1902 of Analyst pay saved per extension application.

The contributions of Commission technical experts, attorneys, and supervisors are not analyzed here as directed by the State Administrative Manual, Section 6602 [definition of indirect fiscal costs].)

Benefits

Total statewide economic benefits over the lifetime of the regulation: \$1.9 million. (See Calculations section below).

Alternative 1: Shorter periods to require vesting. The period to apply for extensions in existing regulation 13156 is two years, and the regulation proposes five years. Three or four years would be ineffective at accomplishing the Proposal's goals, and the economic benefit would be proportionally less.

Alternative 2: Shorter period for extension. The period for extension in existing regulation 13169 is one year, and the regulation proposes two years. A "middle ground" is not practicable, and there would be no benefit.

Qualitative Benefits. Qualitative benefits are discussed in the Initial Statement of Reasons.

ASSUMPTIONS

Affected universe. Despite efforts to research, the statewide data available on the number of affordable housing developers varied too much to be useful, and there does not seem to be analysis of how many of these developers would qualify as a small business nor how many develop in the coastal zone. Additionally, that population is potential, with a fraction that would apply to the Coastal Commission for a permit (or the applicant's project reviewed under the appeal process as a "de novo" permit).

Therefore, the assumption is that the number of developers is roughly 100-500 and the percentage of small business ten percent or less. It takes considerable resources to develop affordable housing, and it is assumed that most of these projects are beyond the reach of small business (as defined, e.g., by Gov. Code § 14837 (d)(1)(a).)

Economic savings to applicants. The cost of an extension application (preparing, submitting, and working with Commission staff to file the application as complete), the hearing that considers the application (preparation, travel, testimony by experts), and

⁴ The Commission's Business Office reports that this year's benefits compensation runs slightly more than 50% of an individual's salary.

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compliance with any outstanding special conditions (e.g. deed restrictions, agent services) varies greatly from applicant to applicant. However, most extension applications are relatively simple and are processed quickly, with Commission concurrence requested on reporting the extension rather than a full hearing and vote. It is assumed therefore that the overall cost would be low, but at least \$10,000 per application.

Fiscal savings to the Commission. Any savings in time that free up analyst or technical expert resources are assumed to be devoted to other projects and are not directly translated into dollar savings.

Inflation. Inflation is calculated at 2.5% a year for the lifetime of the regulation. The California Consumer Price Index for Urban Consumers rose approximately 3% in 2024 and 2.5% for the first half of 2025. (Ex. E, Inflation.) Inflation is applied to the economic savings but not the fiscal savings. Due to the state budget cutbacks, Analyst salaries are not expected to rise during Years 1-3.

CALCULATIONS AND RESULTS

Economic Totals

The life of the regulation, once effective, is considered to be 20 years, for a total of \$1,200,000 in savings to the private sector, plus inflation assumed at 2.5 percent per year, for a total of about \$1.9 million dollars.

YEAR	BASE TOTAL	
1	\$ 1,200,000.00	
	inflation	0.025
	previous +	
2	inflation	\$ 1,230,000.00
3		\$ 1,260,750.00
4		\$ 1,292,268.75
45		\$ 1,324,575.47
6		\$ 1,357,689.86
7		\$ 1,391,632.10
8		\$ 1,426,422.90
9		\$ 1,462,083.48
10		\$ 1,498,635.56
11		\$ 1,536,101.45
12		\$ 1,574,503.99
13		\$ 1,613,866.59
14		\$ 1,654,213.25
15		\$ 1,695,568.59
16		\$ 1,737,957.80

COST ESTIMATING METHODOLOGY
REGULAR RULEMAKING
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17	\$ 1,781,406.74
18	\$ 1,825,941.91
19	\$ 1,871,590.46
20	\$ 1,918,380.22

Alternative 1 calculations (three or four years required to vest: .80 * \$1,900,000 = \$1,520,000, and .60 * \$1,900,000 = \$1.140,000.

Fiscal Savings, Years 1-3

The Proposal is anticipated to be effective on April 1, 2026, with the first “saved” extensions happening at least two years later following an approved project. Therefore, the first fiscal savings would not be realized until later in Year 3. Under the existing regulation 13156, the Commission may exercise discretion to lengthen the time to vest. That option is not predictable so not calculated.

Fiscal Year 1 (remaining) – Jan. 1, 2026 – June 30, 2026 – no savings.

Fiscal Year 2 – July 1, 2026 – June 30, 2027 – no savings

Fiscal Year 3 (part 1) – July 1, 2027 – March 31, 2028 – no savings

Fiscal Year 3 (part 2) – April 1, 2028 – June 30, 2028 - \$1902 savings (1 matter)

CONCLUSION

The Proposal does not impose a reimbursable mandate on local government nor require any non-reimbursable costs.

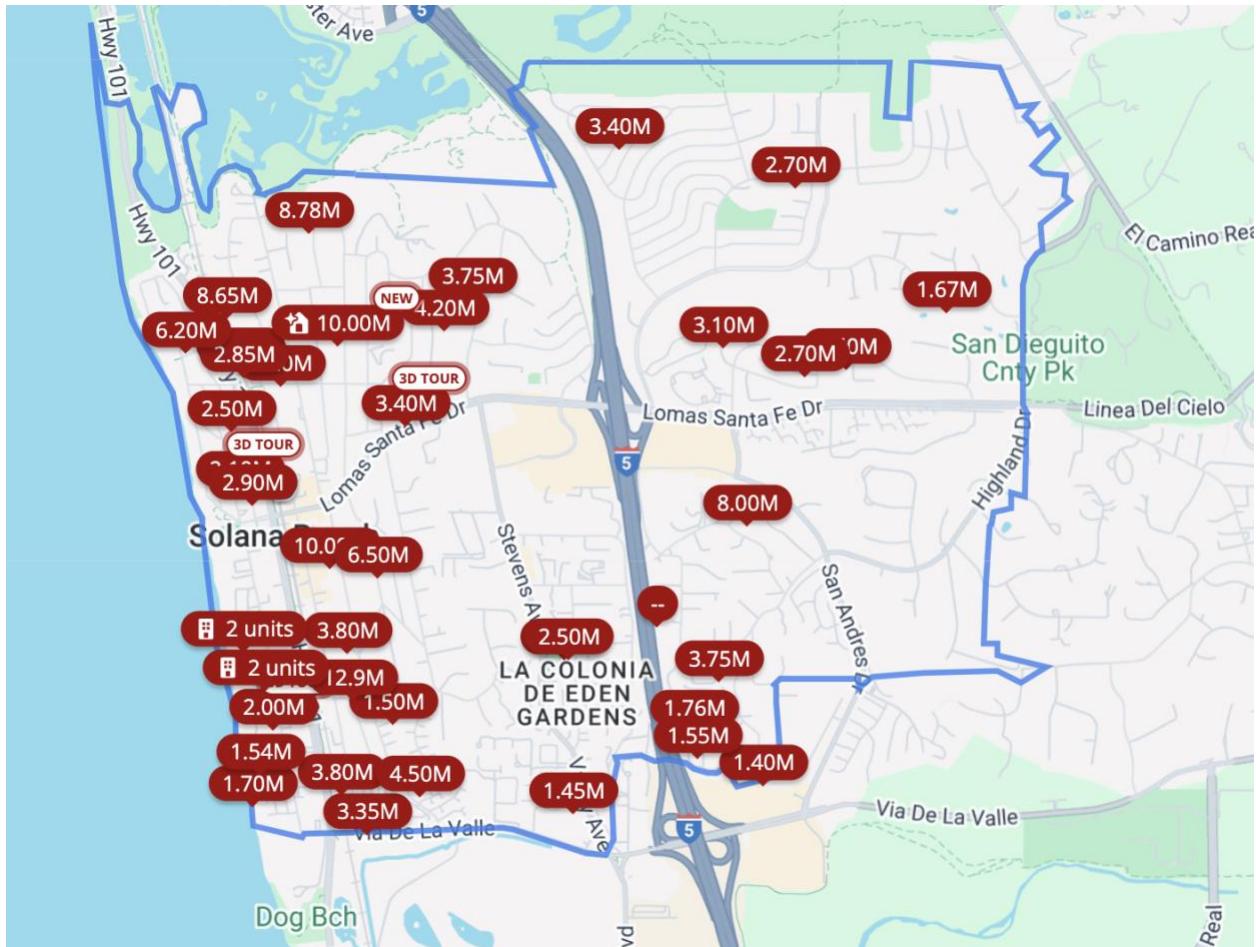
Economic savings for the life of the regulation amount to approximately \$1.9 million.

Fiscal savings for Years 1-3 amount to \$1902 and would be expected to at least double per year after that.

EXHIBIT A

COASTAL HOME VALUES Zillow.com, accessed Sept. 2025

Solana Beach, San Diego County



Little River area, Mendocino County

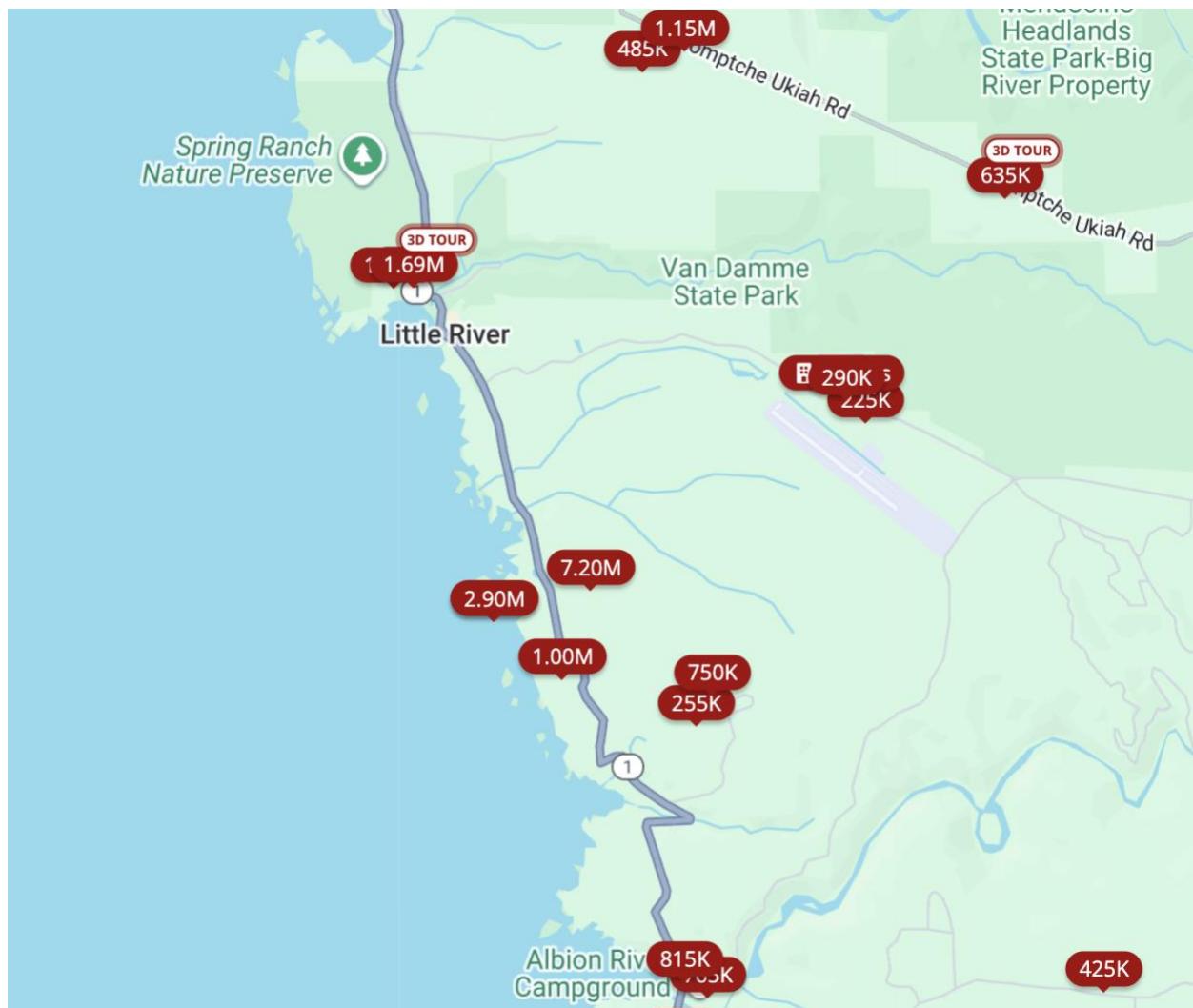


Exhibit
Analyst Salaries



State of California
Civil Service Pay Scale - Alpha by Class Title

Schem	Class	Code	Code	Full Class Title	Pay Compensation	Period *	SISA	Footnotes	AR Crit	MCR	Prob. Mo.	WWG	NT	CBID
JW76	4726			COASTAL PROGRAM ANALYST I										
		A		\$4,928.00 - \$5,598.00			01 19 21		121	1	12	2		R01
		B		\$5,083.00 - \$6,058.00			01 19 21		121	1	12	2		R01
		C		\$6,096.00 - \$7,633.00			01 19 21		121	1	12	2		R01
JW74	4735			COASTAL PROGRAM ANALYST II										
				\$7,328.00 - \$9,178.00			01 19			1	12	2		R01
JW72	4762			COASTAL PROGRAM ANALYST III										
				\$7,694.00 - \$9,638.00			01 19			1	12	E		S01

* All salaries are monthly unless otherwise indicated.

COST ESTIMATING METHODOLOGY

REGULAR RULEMAKING
California Coastal Commission regulations,
Title 14, §§ 13156, 13169

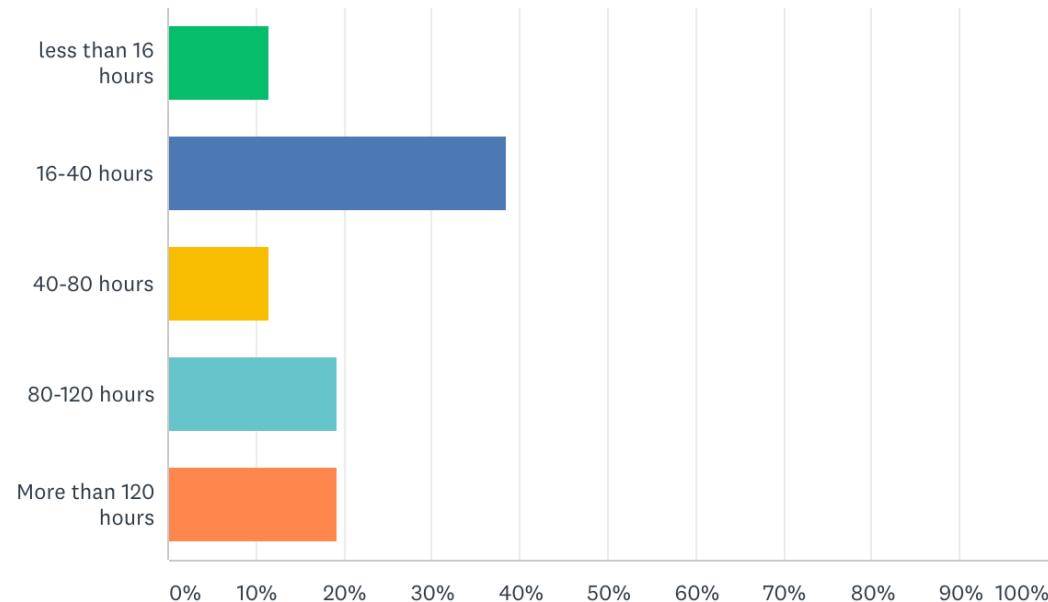
Exhibit C

Analyst Hours Survey



What is the estimated average amount of hours you work on a relatively simple LCPA (but not minor or de minimis). Include coordination with the local government, through drafting the report and bringing to hearing, and post-hearing tasks. Do not include anyone else's time (e.g. supervisor, attorney).

Answered: 26 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ less than 16 hours	11.54% 3
▼ 16-40 hours	38.46% 10
▼ 40-80 hours	11.54% 3
▼ 80-120 hours	19.23% 5
▼ More than 120 hours	19.23% 5
TOTAL	26

Average Analyst Hours Calculation			
Respondents	x Hours Est.	Total Hours	
3	16	48	
10	40	400	
3	80	240	
5	120	600	
5	150	750	
Total Respondents		Grand Total Hours	
26		2038	
		Average Hours	
2038	/26	28.85	

EXHIBIT B

Multi-Family Housing Actions

A	B	C	D	E
1				
2				
3	Year	Matter No	Unit Count	Affordable Units
4				
5	2021	LCP-2-SMC-20-0054-1	71	71
6				
7	2022	LCP-6-CII-21-0040-1	192	42
8	2022	CDP No. 5-21-0785	42	42
9				
10	2023	CDP No. 5-22-0799	100	25
11	2023	CDP No. A-6-ENC-22-0049	94	19
12				
13	2024	CDP 5-22-0588	120	120
14	2024	LCP-5-HNB-24-0003-1	250	50
15	2024	LCP-6-OMN-23-0053-4	380	100
16	2024	CDP No. 5-23-0415-W	10	1
17				
18	Totals	All Units	Affordable Units	100% Affordable
19	LCP actions	893	263	1
20	Permits/Waiver	366	207	2
21	Overall Total	1259	470	3

Exhibit E
Inflation Values

2024

[Office of the Director](#) / Consumer Price Index Calculator

Consumer Price Index Calculator

1. Select an Index

California

2. Select index type

All Urban Consumers

3. Select beginning month

December

4. Select beginning year

2023

5. Select ending month

December

6. Select ending year

2024

Beginning Index Value

334.395

Ending Index Value

344.295

Based upon the Index, index type, and the time period you have specified, the percent change in the Consumer Price Index is equal to:

3.0%

2025 (to June 30)

[Office of the Director](#) / Consumer Price Index Calculator

Consumer Price Index Calculator

1. Select an Index

California

2. Select index type

All Urban Consumers

3. Select beginning month

December

4. Select beginning year

2024

5. Select ending month

June

6. Select ending year

2025

Beginning Index Value

344.295

Ending Index Value

353.044

Based upon the Index, index type, and the time period you have specified, the percent change in the Consumer Price Index is equal to:

2.5%

Public Comments

Received during the 45-Day comment period
Sept. 19, 2025 to Nov. 3, 2025



Outlook

Public Comment on Reg Change

From Christie, Sarah@Coastal <Sarah.Christie@coastal.ca.gov>

Date Wed 10/22/2025 12:17 PM

To Mayer, Robin@Coastal <Robin.Mayer@coastal.ca.gov>

Cc Natalie Spievack <nspievack@housingca.org>

Hi Robin-

Would you please include the following comment on the reg change from Natalie Spievack? She had intended to send it earlier, and now she is traveling and unable to access the website. Thanks!

Even after land use entitlements are approved, financing affordable housing is a lengthy process. Developers must apply for various state and federal subsidies. Many of these subsidies are offered only once per year, and a developer must win multiple, unaligned competitions to achieve full financing. This process can easily take three to five years after the Coastal Commission approves a project. Moreover, if there is any uncertainty as to whether or not a Coastal Development Permit will be extended, a project can become ineligible for funding, as the entitlement must remain in place through construction closing (typically six months after the final funding award is received). Because it is nearly impossible to secure financing and close within 2 years, issuing CDPs with an initial five-year duration will resolve uncertainty and better align with the affordable housing development process.

Natalie Spievack
Senior Policy Advocate, Housing California

Get [Outlook for iOS](#)



Housing Advocates List + Reg

From Louis Mirante <lmirante@bayareacouncil.org>

Date Wed 10/29/2025 5:55 PM

To Mayer, Robin@Coastal <Robin.Mayer@coastal.ca.gov>

You don't often get email from lmirante@bayareacouncil.org. [Learn why this is important](#)

Hey Robin,

I hope you're doing well. You recently sent out an email flagging the upcoming CCC meeting to housing advocates - would you please add my email to that list for future flags, if such a list exists?

Also, for the regulation proposed, have you considered making the vesting length longer for housing projects generally, or perhaps multifamily housing projects? Why just confine it to affordable housing if the change is beneficial?

Best wishes,
Louis



Louis Mirante

Senior Vice President of Public Policy, Housing

Phone: (510) 908-0537 | **Email:** lmirante@bayareacouncil.org

The Historic Klamath, Pier 9, The Embarcadero, San Francisco

www.bayareacouncil.org



Public Comment

Received November 4, 2025

FW: Public Comment on November 2025 Agenda Item Wednesday 6g - Changes to Commission Regulations

From ExecutiveStaff@Coastal <ExecutiveStaff@coastal.ca.gov>

Date Tue 11/4/2025 10:54 PM

To Mayer, Robin@Coastal <Robin.Mayer@coastal.ca.gov>; Wilkens, Claire@Coastal <claire.wilkens@coastal.ca.gov>

fyi

From: Erika Lee <elee@vchcorp.org>

Sent: Tuesday, November 4, 2025 4:54 PM

To: ExecutiveStaff@Coastal <ExecutiveStaff@coastal.ca.gov>

Subject: Public Comment on November 2025 Agenda Item Wednesday 6g - Changes to Commission Regulations

You don't often get email from elee@vchcorp.org. [Learn why this is important](#)

Dear Coastal Commissioners,

Venice Community Housing would like to support the changes to commission regulations, Agenda Item W6g.

Venice Community Housing very much appreciates the work that has been done on this item and the staff recommendation. As an affordable housing developer committed to expanding access to housing opportunities, we strongly support Agenda Item W6g. There is a critical need for more affordable housing, particularly within the coastal zone, where high land and development costs have long limited opportunities for lower- and moderate-income households. The proposed change will help remove barriers and create a more feasible path to delivering much-needed affordable homes in this area. We urge your support to advance policies that make inclusive coastal communities possible.

Sincerely,

Erika Lee, Co-Executive Director
Venice Community Housing

Erika Lee, she/her/hers
Co-Executive Director, Venice Community Housing
building affordable housing and communities since 1988
200 Lincoln Blvd., Venice, CA 90291
Main: 310.399.4100 | Direct: 310.573.8414
Website: vchcorp.org | Email: elee@vchcorp.org
[Sign up for our mailing list](#)

VCH acknowledges our presence and work on the traditional, ancestral and unceded territory of the Tongva, Kizh, and Gabrielino peoples. VCH stands and strives to act in solidarity with the Black Lives Matter movement.

UPDATED INFORMATIVE DIGEST

There have been no changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Action.

FINAL STATEMENT OF REASONS

Rulemaking Z-2025-0909-06

This Final Statement of Reasons incorporates by reference the Initial Statement of Reasons in its entirety. No further material was relied upon after publication of the Notice of Proposed Action.

UPDATE

This update adds more detail to the consideration of alternatives and adds comments with responses to comments.

LOCAL MANDATE

The Commission has determined that the proposed changes do not impose a mandate on local agencies or school districts.

ALTERNATIVES

The Commission has determined that no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of the Commission:

- Would be more effective than in carrying out the purpose for which the action is proposed;
- Would be as effective and less burdensome to affected private persons than the proposed action; or
- Would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

No proposed alternatives would lessen any adverse impact on small business, as the Proposal is beneficial; the Proposal does not adversely affect small business or adversely affect any business.

Supporting information is as follows:

Existing language

The Commission could retain Sections 13156(g) and 13169(a) without changes. Thus, 100% affordable housing projects would have a two-year vesting deadline before an approved coastal development permit expires, and any extension granted pursuant to Section 13169 would be for no more than one year per extension. The status quo would maintain a timeframe for 100% affordable housing projects that has proved to be infeasible for long-term success of the projects, contributing to the scarcity of affordable housing in the coastal zone.

FINAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

Shorter time than five years/ two years

The first alternative is to extend the vesting period deadline for 100% affordable housing permits beyond two years but less than five years (i.e. for three or four years). Simultaneously, the permit extension pursuant to Section 13169 could be changed to an 18-month period, rather than a 24-month permit extension period. While this alternative would help relieve pressure on affordable housing developers, it would not be sufficient to provide tangible benefits in the coastal zone. Housing advocates repeatedly emphasized that a five-year period is necessary to receive the funding developers need for such projects.

Longer time than five years/ two years

Another alternative is to extend the vesting period deadline beyond five years and extend the permit extension beyond two years. However, the Commission would prefer to have the ability to review a project that is still in process at the five-year point. Under the Proposal, an applicant with an unvested project would have to return to the Commission before the five years are up to receive an extension. While most extensions are routinely granted, the Commission considers extensions (and entertains any objections) to see if there are changed circumstances that might require a new application and approval for the project. This check on the project's status is important to protect coastal resources. Longer vesting periods would be more likely to result in a determination of changed circumstances and effectively work against the applicant's interest, since applicants would have to apply and receive approval for a second time.

Likewise, an extension period longer than two years means the Commission would lose a timely chance to check on the project. This alternative would contribute to uncertainty, as projects with approved permits might languish in an underfinanced but entitled limbo space, while affordable housing needs continue to be unmet in the coastal zone.

Scope of Proposal

Finally, a commenter asked why the Proposal applies only to 100% affordable projects, with the implication that the Proposal should apply to other types of housing projects. A response is provided below.

SUMMARY OF PUBLIC COMMENTS AND THE COMMISSION'S RESPONSES

The California Coastal Commission proposes to amend Sections 13156, subdivision (g) and 13169, subdivision (a) of Title 14, of the California Code of Regulations. A 45-day comment period on this rulemaking action was held from Friday, September 19, 2025 to Monday, November 3, 2025. A public hearing was held on November 5, 2025. The Commission considered all timely comments. A summary of those comments and the Commission's responses is as follows:

FINAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

Comment 1:

From Natalie Spievack, Senior Policy Advocate, Affordable Housing Production, Housing California.

Housing advocate Natalie Spievack supported the staff recommendation to adopt the amendments to expand the periods for the vesting of 100% affordable housing projects from two years to five years and expand the period for extensions (after the initial vesting period) from one year to two years. Ms. Spievack explained that having an approved coastal development permit in hand is crucial when affordable housing developers seek funding, and moreover the process of applying for and receiving funding for 100% affordable housing projects can take many years. The uncertainty created by the existing two-year vesting and one-year extension periods makes funding more difficult to obtain and jeopardizes housing projects.

Response 1:

The Commission appreciates Housing California's participation and support of the staff recommendation to adopt the proposed regulation amendments.

Comment 2:

From Louis Mirante, Senior Vice President of Public Policy, Housing, Bay Area Council

Housing advocate Louis Mirante asked why the regulation amendments to lengthen the vesting and extension periods, which he described as beneficial, are for 100% affordable housing projects only and not for other types of housing projects.

Response 2:

The Commission appreciates Mr. Mirante's participation and the key question he posed in the comment. Staff agrees that the amendments provide a beneficial effect. The amendments are specific to 100% affordable housing projects because unlike privately funded, for-profit developments, 100% affordable projects face particular challenges when seeking financing, namely the funding process, which involves applying to multiple agencies. Funding cannot be secured until after the Commission approves the permit, all conditions are met, and the permit is issued. Developers of other types of housing projects do not have to depend on government agency funding sources. Existing language is feasible for their projects, and includes the ability to ask the Commission to set longer periods for a specific project.

Comment 3:

From Erika Lee, Co-Executive Director, Venice Community Housing.

FINAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

A third written comment was received the morning of the hearing, after the close of the rulemaking comment period. Ms. Lee expressed strong support for the proposed rulemaking, saying it would remove barriers and create a more feasible path for the creation of affordable housing in the coastal zone.

Response 3:

The Commission appreciates Ms. Lee's participation and support of the staff recommendation to adopt the proposed regulation amendments.

Comments during the Public Hearing:

At the November 5th Commission hearing, housing advocates and members of the public unanimously supported the proposed rulemaking in their oral testimony. In particular, they described the years-long process of applying for funding from multiple sources for affordable housing projects, including:

- Developers cannot apply for funding for affordable housing projects until they have all entitlements (including a coastal development permit) in hand;
- Funding for affordable housing projects is extremely competitive and is oversubscribed at a rate of 10 to 1;
- Many funding programs are offered only once per year;
- It is nearly impossible to secure financing and reach construction closing within two years;
- The extension from two to five years for affordable housing permits would support Commission policies to encourage affordable housing and promote environmental justice, in addition to the specific benefits of making it more feasible to finance and build the housing;
- Thanking the Commission for working collaboratively with affordable housing organizations and community groups on this proposal and others into the future.

Response 4:

The Commission appreciates the participation of all the commenters. Their candor about the difficulties in securing affordable housing funding were invaluable contributions to the Commission's consideration and ultimate adoption of the proposed amendments.

###

Hearing Materials

Staff Report, Exhibits, Correspondence, Addendum

CALIFORNIA COASTAL COMMISSION

455 MARKET STREET, SUITE 300
SAN FRANCISCO, CA 94105-2421
VOICE (415) 904-5200
FAX (415) 904-5400



W6g

DATE: November 5, 2025
TO: Coastal Commission and Interested Persons
FROM: Louise Warren, Chief Counsel
Robin M. Mayer, Senior Attorney
Claire Wilkens, Attorney
SUBJECT: Proposed Amendments to Commission Regulations
Hearing and Possible Adoption
California Code of Regulations, Title 14, Sections 13156 and 13169

SUMMARY OF STAFF RECOMMENDATION

Staff is proposing changes to the Commission's regulations in Title 14 of the California Code of Regulations. The purpose of the amendments is to reduce impediments to the funding and vesting of affordable housing projects.

The proposed amendments affect sections 13156, subdivision (g) and 13169, subdivision (a). The amendments to section 13156 expand the time for 100% affordable housing projects to vest from two years to five years. The amendments to section 13169 expand the time for the extension of permits for 100% affordable housing projects from one year to two years.

The proposal makes other, minor clarifying changes in the same regulations.

A public comment period began with the publication of the Notice of Proposed Action on September 19, 2025. As of the writing of this staff report, one comment has been received in support of the amendments. All comments received by the close of business on Monday, November 3 will be posted to the correspondence tab for this item.

Once adopted by the Commission, legal staff will submit the administrative record and other materials to the Office of Administrative Law (OAL). The final submittal package, including the final text and the final Statement of Reasons, will be posted on the Commission's website as soon as practicable after submittal to OAL. OAL will review

the proposed changes according to six standards, including the standards of necessity and clarity. Following review by OAL, the amended regulations, if and as approved, will be filed with the Secretary of State and published in Title 14 of the California Code of Regulations. Staff anticipates that the regulation changes will be effective by April 1, 2026.

Staff recommends **adoption** of the proposed amendments to Commission regulations. The motion is on p. 3 of the staff report.

ADDITIONAL INFORMATION

For documents related to the rulemaking, go to the Commission's rulemaking webpage at <https://coastal.ca.gov/rulemaking>. Questions or comments may be sent to: rulemaking@coastal.ca.gov, or mailed to the Legal Division, California Coastal Commission, 455 Market St. Suite 300, San Francisco, CA 94105.

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APPENDICES

Appendix A – Substantive File Documents

EXHIBITS

- [Exhibit 1-Notice of Proposed Action](#)
- [Exhibit 2-Express Terms \(text in underline/strikeout format\)](#)
- [Exhibit 3-Initial Statement of Reasons](#)
- [Exhibit 4-Supporting Materials](#)

I. MOTION AND RESOLUTION

Motion:

*I move that the Commission **adopt** the proposed amendments to Commission regulations in accordance with the staff recommendation.*

Staff recommends a **YES** vote. Passage of this motion will result in adoption of the proposed amendments for submittal to the Office of Administrative Law. The motion passes only by affirmative vote by a majority of the appointed membership of the commission.

Resolution:

The Commission hereby adopts the proposed amendments to Commission regulations for submittal to the Office of Administrative Law and finds they are consistent with the Coastal Act and other applicable law. Adoption of the proposed amendments is exempt from the California Environmental Quality Act because the proposal has no potential for causing a significant impact on the environment.

II. BACKGROUND

General

Section 30333 of the Public Resources Code authorizes the Commission to adopt or amend regulations to carry out the purposes and provisions of the Coastal Act, and to govern procedures for considerations under the Commission's jurisdiction. Section 30333.1 further encourages periodic review of the regulations in order to make revisions

“necessary and appropriate to simplify and expedite the review of any matter that is before the commission.”

The Commission’s regulations are found in Division 5.5 of Title 14 of the California Code of Regulations. As a whole, the regulations implement, interpret, and make specific provisions of the Coastal Act, the California Environmental Quality Act (CEQA), and the Government Code (chiefly, the Bagley-Keene Open Meeting Act and the Permit Streamlining Act). Regulatory provisions are to be construed liberally to accomplish the purposes and carry out the objectives of the Coastal Act. (§ 13003.)

The Commission seeks to improve the efficiency and effectiveness of the regulations on an ongoing basis. The last regular rulemaking action was adopted and approved in 2019, and the Commission anticipates further amendments in the future.

Specific to this Rulemaking

The purpose of these proposed amendments is to expand the vesting and extension periods for 100% affordable housing projects, which in turn should help get those projects funded and built. As explained further in the Initial Statement of Reasons, housing developers have expressed to Commission staff, and independent research supports, that compiling sufficient public funding to build affordable housing is particularly onerous in California. Developers must navigate multiple agencies and departments at both the state and local level.

According to analysis from UC Berkeley, “Projects with three to five additional public funding sources take nearly two years (on average) between the first funding application and their award.”¹ Projects with six or more public funding sources, which may be necessary for complex projects serving the unhoused, for example, need more than 30 months on average to secure full financing.

Developers have informed Commission staff that they cannot apply for funding without a coastal development permit in hand – meaning not only that the Commission has approved their project but that all prior-to-issuance special conditions have been met and the permit issued. Thus, the current regulation provision that requires vesting in two years (tit. 14, § 13156(g)) creates an impracticable deadline that is expensive for the applicants and the Commission without creating any benefit, since in practice an affordable housing project cannot vest in two years. A companion provision (§ 13169(a)) allows an approved extension for the project that lasts a year from the two-year expiration date. Part of that year is taken up by bringing the extension application to the Commission, so that in effect, the extension may only last for several months.

¹ Reid & Tran, UC Berkeley Terner Center for Housing and Innovation, “Reducing the Complexity in California’s Affordable Housing Finance System” (April 21, 2025) p. 4. Available at <https://ternercenter.berkeley.edu/blog/reducing-the-complexity-in-californias-affordable-housing-finance-system/>.

Public Participation

The Notice of the proposed rulemaking (Notice), was published in the California Regulatory Notice Register on September 19, 2025. Publication began a 45-day public comment period, which ends on Monday, November 3. Simultaneous with publication of the Notice, all materials were posted on the Commission's rulemaking page, including the Notice, the proposed changes (also known as Express Terms or the text, in underline/ ~~strikeout~~ format) and the rationale for each change (known as the Initial Statement of Reasons). The same materials are also supplied as exhibits to the staff report.

The Notice was emailed to a representative business group and the California Natural Resources Agency, and a Notice for the public hearing for the Commission's consideration of this matter was sent to approximately fifty housing advocacy groups. Additionally, approximately 3100 subscribers to the Commission's agenda received notice of the adoption hearing.

As of the writing of this staff report, one comment has been received in support of the amendments. All comments received by the close of business on Monday, November 3 will be posted to the correspondence tab for this item.

III. PROPOSED AMENDMENTS

The proposed amendments affect sections 13156, subdivision (g) and 13169, subdivision (a). The amendments to section 13156 expand the time for 100% affordable housing projects to vest from two years to five years. The amendments to section 13169 expand the time for the extension of permits for 100% affordable projects from one year to two years.

The proposal makes other, minor clarifying changes in the same regulations.

IV. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The Commission finds that adoption of the proposed amendments is exempt from the California Environmental Quality Act because the proposal has no potential for causing a significant impact on the environment. (Cal. Code of Regs., tit. 14, § 15061(b)(3).)

APPENDIX A – SUBSTANTIVE FILE DOCUMENTS

- Office of Planning & Research, Notice of Exemption

CALIFORNIA COASTAL COMMISSION

455 MARKET STREET, SUITE 300
SAN FRANCISCO, CA 94105-2421
VOICE (415) 904-5200
FAX (415) 904-5400



W6g

Changes to Commission Regulations

November 5, 2025

EXHIBITS

Exhibit 1-Notice of Proposed Action

Exhibit 2-Express Terms (text in underline/strikeout format)

Exhibit 3-Initial Statement of Reasons

Exhibit 4-Supporting Materials

NOTICE OF PROPOSED APA RULEMAKING

CALIFORNIA COASTAL COMMISSION

Title 14, Division 5.5, California Code of Regulations

NOTICE IS HEREBY GIVEN that the California Coastal Commission (Commission), as authorized by Section 30333 of the Public Resources Code, proposes to make changes to its regulations as described below after considering all comments, objections, and recommendations regarding the proposed action (Proposal).

A PUBLIC HEARING IS SCHEDULED FOR November 5, 2025. The hearing will be part of the Commission's regularly scheduled meeting, which will take place in Sacramento and virtually over the Internet. Any interested person may present comments regarding the Proposal at this hearing. Any interested person may also present written comments regarding the Proposal to the attention of the agency contact as listed in this Notice, no later than November 3, 2025. More information about the hearing and how to participate is available at the end of this Notice.

INTRODUCTION

The Proposal extends the time that 100% affordable multiple-dwelling unit projects may take to vest after Commission approval and increases the length of approved extensions. The Proposal will help further the Commission's mission to encourage affordable housing in the coastal zone. The following sections are affected:

Amend: Sections 13156(g) and 13169(a).

AUTHORITY AND REFERENCE

Authority: Section 30333 of the Public Resources Code provides that the Commission may adopt or amend rules and regulations to carry out the purposes and provisions of the Coastal Act (Div. 20, Section 30000 et seq.), as well as to govern procedures of the Commission. Rules and regulations shall be consistent with the Coastal Act and other applicable law.

Reference: The Proposal implements the Commission's mandate to encourage affordable housing in the coastal zone. (Pub. Resources Code, § 30604(f).)

BACKGROUND

The Legislature enacted the California Coastal Act in 1976, following the passage of Proposition 20, a referendum expressing the desire of the people of California to protect its most valuable resource: 1100 miles of coastline. Division 20 of the Public Resources Code, Section 30000 et seq. (the Coastal Act) established a comprehensive coastal

NOTICE OF PROPOSED ACTION
CALIFORNIA COASTAL COMMISSION
Title 14, Division 5.5, California Code of Regulations

protection program and made permanent the California Coastal Commission as a state agency. The first goal of the Coastal Act is to “[p]rotect, maintain, and, where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources.” (§ 30001.5, subd. (a).) Key provisions related to this rulemaking are Public Resources Code Section 30604, subdivisions (f), (g), and (h), concerning the encouragement of affordable housing and the consideration of environmental justice for coastal development permits.

The Commission considers applications for coastal development permits in its jurisdiction; certifies long term plans, including local coastal programs that allow local governments to issue coastal development permits; considers appeals of certain local approvals; sets policy in coastal matters; conducts enforcement; and ensures the consistency of federally-approved development in the Coastal Zone. In particular, the Proposal affects the length of time required for an approval of a coastal development permit to vest, or to be extended, for projects that qualify as 100% affordable housing.

Existing regulations are located in Title 14, Division 5.5, Section 13001 et seq. Shortly after passage of the Coastal Act, the Commission adopted a full set of procedural regulations. Several rulemakings thereafter improved and expanded the original set, most recently in 2019. (See OAL Nos. 2019-0619-055 and 2019-1016-3.) Amended regulation sections 13156 and 13169 would implement, interpret and make specific statutory clauses related to affordable housing in Section 30604 of the Coastal Act.

INFORMATIVE DIGEST

Existing law: The Coastal Act empowers the Commission to approve permits for development in the coastal zone (see Pub. Resources Code, § 30600) and requires the Commission to encourage affordable housing (§ 30604(f)). Current regulations set the default time for the vesting of all approved development, regardless of type or affordability, at two years (Cal. Code of Regs., tit. 14, § 13156(g)) and allow extension of approvals or permits that haven’t vested one additional year from the two-year approval date (§ 13169(a)).

The Proposal: The Proposal would allow projects that consist of 100% affordable housing units to take five years to vest instead of two years, and for those applicants to apply for a two-year extension of the time to vest rather than a one-year extension. The Proposal makes other clarifying changes and updates to the two subsections.

The effect will be increased efficiency, certainty, and finality for those applicants, who often must receive a coastal development permit approval before they can pursue funding, which can then take many years to receive and by nature delays vesting of the project. The regulations also support the promotion of affordable housing in the state.

There is no comparable federal regulation or statute.

NOTICE OF PROPOSED ACTION
CALIFORNIA COASTAL COMMISSION
Title 14, Division 5.5, California Code of Regulations

POLICY STATEMENT OVERVIEW

Broad objectives: The broad objectives of the Proposal are to aid the development of affordable housing in the state by relaxing the requirement to vest 100% affordable projects to a more feasible time frame.

Anticipated Benefits:

The Proposal is expected to save time and resources for both the applicants of 100% affordable housing projects and the Commission. With a longer time for their projects to vest, the applicants need not apply for extensions that are too short to be useful (essentially requiring a cycle of extensions until the project can vest), saving the Commission from having to process those applications.

Due to the encouragement of affordable housing in California, the Proposal generally benefits social equity and supports the protection of the environment via the encouragement of environmental justice, as further explained below. The Proposal does not directly affect public health and safety or worker safety.

EVALUATION OF INCONSISTENCY/INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

The Commission has determined that this proposed regulation is not inconsistent or incompatible with existing regulations. After conducting a review for any regulations that would relate to or affect this subject matter, the Commission has concluded that the Commission is the only state agency with regulations that govern the vesting of affordable housing projects in the coastal zone.

FORMS INCORPORATED BY REFERENCE

The Proposal does not incorporate any forms by reference.

MANDATED BY FEDERAL LAW OR REGULATIONS

The Proposal is not mandated by federal law or regulations.

OTHER STATUTORY REQUIREMENTS

No other requirements are specific to the Commission, to any specific regulation, or class of regulations.

LOCAL MANDATE

The Commission has determined that the proposed changes do not impose a mandate on local agencies or school districts.

NOTICE OF PROPOSED ACTION
CALIFORNIA COASTAL COMMISSION
Title 14, Division 5.5, California Code of Regulations

FISCAL IMPACT

There is no cost to any local agency or school district requiring reimbursement pursuant to Government Code, Section 17500 et seq.

No other state agencies are affected other than savings to the Commission. The Proposal does not impose any non-discretionary cost or savings upon local agencies. The Proposal will not affect any cost or savings in federal funding to the State.

HOUSING COSTS

The Proposal has no significant effect on housing costs. Over the long term, applicants would save minor costs of applying for short-lived extensions, such as the application fee, working with staff on the filing of the application, and attending or being represented at the Commission hearing for an extension.

SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY TO COMPETE

The Commission has made an initial determination that the Proposal will not have any significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

STATEMENT OF THE RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The Commission has determined, pursuant to Government Code Section 11346.3(b)(1)(A)–(D), that the proposed changes will not have an effect on: the creation or elimination of jobs within the state; the creation of new businesses or elimination of existing businesses within the state; or the expansion of business currently doing business within the state. The Proposal does not affect the health and welfare of California residents and does not affect worker safety.

The primary benefits of the proposal include promoting affordable housing statewide by extending the time for 100% affordable housing projects to vest. The saved efficiency helps such projects get built, supporting social equity.

Furthermore, the proposal advances the commission's mandate to promote environmental justice and align to the governor's objectives to address homelessness, increase housing availability, and improve affordability. The Commission ties the ability to live near the coast to the state Constitutional duty to maximize public access for all (Pub. Resources Code, § 30210), to cluster development (§ 30250), and, via clustering and allowing increased density, to minimize emissions (§ 30253(d)). Those benefits in turn can promote environmental benefits including the protection of open space, the use of public transit, and the promotion of environmental justice.

**NOTICE OF PROPOSED ACTION
CALIFORNIA COASTAL COMMISSION
Title 14, Division 5.5, California Code of Regulations**

COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

BUSINESS REPORT

No business reports are required.

SMALL BUSINESS

The Commission has determined the Proposal does not affect small business in terms of cost impacts. Small businesses chiefly interact with the Commission as applicants for coastal development permits. The Proposal does not create any affirmative requirements for applicants.

ALTERNATIVES STATEMENT

In accordance with Government Code Section 11346.5(a)(13), the Commission must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be:

- more effective in carrying out the purpose for which the action is proposed;
- as effective and less burdensome to affected private persons than the proposed action; or
- more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Commission invites interested persons to present statements with respect to alternatives to the Proposal during the written comment period.

CONTACT PERSON

Written comments and inquiries regarding the Proposal may be submitted to rulemaking@coastal.ca.gov, or directed to:

Ms. Robin M. Mayer
Senior Attorney
California Coastal Commission
455 Market St., Suite 300
San Francisco, CA 94105
(415) 904-5220
robin.mayer@coastal.ca.gov

BACKUP ONLY, contact:
Ms. Claire Wilkens

NOTICE OF PROPOSED ACTION
CALIFORNIA COASTAL COMMISSION
Title 14, Division 5.5, California Code of Regulations

Attorney
California Coastal Commission
455 Market St., Suite 300
San Francisco, CA 94105
(415) 729-1227
Claire.wilkens@coastal.ca.gov

AVAILABILITY STATEMENTS

The Commission has established a rulemaking file for this regulatory action, which contains those items required by law.

As of the date this Notice is published, the rulemaking file consists of the Notice, the Proposed Text (amending two existing regulations), the Initial Statement of Reasons, and all information upon which the proposed rulemaking is based. The Proposed Text, Initial Statement of Reasons, and supporting materials may be viewed or downloaded from the Commission's rulemaking page at <https://coastal.ca.gov/rulemaking/>.

Additionally, the documents are available on request from the agency contact listed in this Notice. The file is available for inspection at the Commission's office at 455 Market St., Suite 300, San Francisco, California. Please contact robin.mayer@coastal.ca.gov in advance to make arrangements.

AVAILABILITY OF SUBSTANTIAL (15-DAY) CHANGES

After the written comment period ends and following the close of the November 5, 2025 hearing, the Commission may adopt the Proposal as described in this Notice, without further notice of nonsubstantive changes. However, the Commission may modify the Proposal prior to the vote, if substantial changes are sufficiently related to the original Proposed Text (the text of the proposed changes to the regulations). While not anticipated at this time, if sufficiently-related changes are proposed for Commission consideration, the Proposed Text with the additional changes in double-underline and ~~double-strikethrough~~ will be posted to the Commission's rulemaking page, transmitted to interested persons, and made available from the agency contact listed in this Notice. The changes will be made available at least 15 days in advance of the hearing. (See Cal. Code of Regs., tit. 1, § 44.)

MORE INFORMATION ON THE PUBLIC HEARING

A public hearing regarding the Proposal is scheduled for 9AM, Wednesday, November 5, 2025 as part of the Executive Director's Report at the Commission's regular meeting. To view the hearing, go to the Commission's website at <https://coastal.ca.gov/>, and click on Meetings/Live Stream.

**NOTICE OF PROPOSED ACTION
CALIFORNIA COASTAL COMMISSION
Title 14, Division 5.5, California Code of Regulations**

The meeting will take place at:

Holiday Inn Sacramento Downtown
300 J. St.
Sacramento, CA 95814

MORE INFORMATION ON WRITTEN COMMENTS AND LIVE TESTIMONY

Any interested person may submit written comments relevant to the Proposal to the Commission. Send written comments to rulemaking@coastal.ca.gov, preferably as a .pdf attachment; however, no particular format is necessary for e-mailed comments. Alternatively, mail comments to: Rulemaking, Legal Division, 455 Market St., #300, San Francisco, CA 94105. To be considered by the Commission during the public hearing on November 5, 2025, written comments should be received by the close of business on Monday, November 3, 2025. Late comments cannot be posted to the Commission website in time for Commission consideration. It is not possible to distribute written comments at the hearing, as it is a hybrid hearing involving virtual attendance by staff and the public. However, staff will summarize any late comments during its oral presentation.

Commenters may testify live and present materials (such as videos or slideshows) at the hearing. To comment live at the hearing or to present materials, see the virtual hearing procedures at <https://documents.coastal.ca.gov/assets/virtual-hearing/VIRTUAL-HEARING-PROCEDURES.pdf>. See also, general meeting procedures at <https://www.coastal.ca.gov/meetings/rules-procedures/>.

FINAL STATEMENT OF REASONS

The Commission is required to prepare a Final Statement of Reasons before submitting the Proposal to the Office of Administrative Law. Once prepared, the Final Statement of Reasons will be made available to anyone who requests a copy and will be available on the Commission's rulemaking page, at <https://coastal.ca.gov/rulemaking/>. Written requests for copies should be addressed to the agency contact identified in this Notice.

INTERNET ACCESS

All rulemaking documents and materials may be viewed and downloaded from the Commission's rulemaking page at <https://coastal.ca.gov/rulemaking/>.

CALIFORNIA COASTAL COMMISSION

455 MARKET STREET, SUITE 300
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PROPOSED TEXT
AFFORDABLE HOUSING VESTING REGULATIONS
§§ 13156, 13169

§ 13156. Contents of Permits.

...

(g) ~~The time for commencement of the approved development, except that where the commission on original hearing or on appeal has not imposed any specific time for commencement of development pursuant to a permit~~ The time for commencement for all approved development other than 100% affordable housing projects shall be two years from the date of the commission vote upon the application, unless the Commission imposes a different time limit. For 100% affordable housing projects, which may include manager units, the time for commencement of development shall be five (5) years. Each Notice of Intent to issue a permit shall contain a statement that any request for an extension of the time of commencement must be applied for prior to expiration of the approval ~~permit~~.

Note: Authority cited: Section 30333, Public Resources Code. Reference: Section 30600 and 30604(f), Public Resources Code.

§ 13169. Extension of Permits.

(a) Prior to the time that commencement of development under a permit granted by ~~either the regional commission or the eCommission~~ must occur under the terms of the permit or Section 13156, ~~the a permittee applicant~~ may apply to the executive director of the commission for an extension of time not to exceed an additional one-year period. For 100% affordable housing projects, which may include manager units, the Commission may approve an extension of time not to exceed an additional two-year period. The executive director shall not accept the application unless it is accompanied by all of the following:...

Note: Authority cited: Section 30333, Public Resources Code. Reference: Sections 30600, 30604, 30620 and 30620.6, Public Resources Code.

INITIAL STATEMENT OF REASONS

California Coastal Commission Regulation Amendments
Title 14, Sections 13156 and 13169

PROBLEM STATEMENT

Housing developers have expressed to Commission staff, and independent research supports, that compiling sufficient public funding to build affordable housing is particularly onerous in California. Developers must navigate multiple agencies and departments at both the state and local level.

According to analysis from UC Berkeley, “Projects with three to five additional public funding sources take nearly two years (on average) between the first funding application and their award.”¹ Projects with six or more public funding sources, which may be necessary for complex projects serving the unhoused, for example, need more than 30 months on average to secure full financing.²

Developers have informed Commission staff that they cannot apply for funding without a coastal development permit in hand – meaning not only that the Commission has approved their project but that all prior-to-issuance special conditions have been met and the permit issued. Thus, the current regulation provision that requires vesting³ in two years (tit. 14, § 13156(f)) creates an impracticable deadline that is expensive for the applicants and the Commission without creating any benefit, since in practice an affordable housing project cannot vest in two years. A companion provision (§ 13169(a)) allows an approved extension for the project that lasts only a year from the two-year expiration date. Part of that year is taken up by bringing the extension application to the Commission, so that in effect, the extension may last for several months at the most.

Affordable housing advocate Natalie Spievack describes the problem in further detail:

Even after land use entitlements are approved, financing affordable housing is a lengthy process. Developers must apply for various state and federal subsidies. Many of these subsidies are offered only once per year,

¹ Reid & Tran, UC Berkeley Terner Center for Housing and Innovation, “Reducing the Complexity in California’s Affordable Housing Finance System” (April 21, 2025) p. 4. Available at <https://ternercenter.berkeley.edu/blog/reducing-the-complexity-in-californias-affordable-housing-finance-system/>.

² *Id.* at p.5, Figure 2.

³ The vesting of a project is important to applicants so that they can finish their projects in full confidence that changes in the law will not disrupt the project. California is considered a late-vesting jurisdiction. Very generally, vesting requires “substantial work” in reliance upon an issued permit; however, once gained, vesting locks in the land use law in effect at the time. (See *Avco Cnty. Devs., Inc. v. S. Coast Reg'l Com.* (1976) 17 Cal.3d 785, 791.)

INITIAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

and a developer must win multiple, unaligned competitions to achieve full financing. This process can easily take three to five years after the Coastal Commission approves a project. Moreover, if there is any uncertainty as to whether or not a Coastal Development Permit will be extended, a project can become ineligible for funding, as the entitlement must remain in place through construction closing (typically six months after the final funding award is received). Because it is nearly impossible to secure financing and close within two years, issuing CDPs with an initial five-year duration will resolve uncertainty and better align with the affordable housing development process.

PURPOSE

The Proposal would amend two provisions in Title 14, Sections 13156(g) and 13169(a), to allow a 100% affordable housing project to vest in five years, rather than two; and to allow an approved extension (to allow vesting) to last for two years, instead of one.

The purpose is to fulfill the Commission's mandate to encourage affordable housing in California (Pub. Resources Code, § 30604(f), see also subds. (g) and (h)), and to implement feasible time frames for the vesting and extension of affordable housing approvals. The Proposal makes other minor changes to clarify and update the regulations.

NECESSITY

By lengthening the initial time to vest (from two years to five years) and the extension periods (from one year to two), the proposed amendments would eliminate unproductive cycles of applications, hearings, and compliance for affordable housing projects that by their funding requirements need more time to vest.

Other edits are to clarify and update the regulations. In Section 13156(g), the first sentence is struck out as convoluted. The next sentence replaces the first one, with the addition of excluding 100% affordable projects. The third sentence expresses the main purpose of the amendment, which is to allow 100% affordable housing projects five years to vest (e.g., begin construction). The clause regarding manager units is to clarify that living quarters for housing managers need not be affordable for the project to be considered 100% affordable. Finally, the last sentence corrects that the Notice of Intent to issue a permit (not the permit itself) should express the requirement to return for an extension before the approval (not the permit) expires. Finally, the Reference Note adds Public Resources Code, Section 30604(f), the statutory provision that is being implemented, interpreted, and made specific.

In Section 13169, "regional commission" is deleted as regional commissions no longer exist. "Commission" is capitalized as part of a long-term effort to distinguish the regulations govern a specific Commission. "Permittee" replaces applicant as a more

INITIAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

accurate expression of who seeks an extension. The addition of “For 100% affordable... two-year period” expresses the main purpose of the amendment, which is to allow 100% affordable housing projects an extension period of two years, instead of one. The clause regarding manager units is to clarify that living quarters for housing managers need not be affordable for the project to be considered 100% affordable.

ECONOMIC IMPACT ANALYSIS

Pursuant to Government Code Section 11346.3(b)(1)(A)–(D), the Commission has conducted an economic impact analysis for the proposed amendments to the regulations (Proposal).

Creation or Elimination of Jobs within the State of California

The primary way in which business interacts with the Commission is by applying for coastal development permits. The Proposal relieves certain applicants from cycles of applications, hearings, and compliance before their development vests, which practicably takes many years. Therefore, the impact is one of relief, albeit minimal relief, from interim regulatory requirements. Due to the minor impact, no jobs in California will be created or eliminated.

Creation of New or Elimination of Existing Businesses within the State of California

The impacts neither create new businesses nor eliminate existing businesses within the state.

Expansion of Businesses Currently Doing Business within the State of California

As above, the primary way in which the Commission interacts with business is via applications for coastal development permits. There are no impacts that would expand a business currently doing business within the state.

Benefits of the Regulations to the Health and Welfare of California Residents, Worker Safety, and the State’s Environment

Anticipated Benefits: The chief benefit will be to help create affordable housing in California through the easing of regulatory requirements. This not only helps the Commission’s mandate to encourage affordable housing and promote environmental justice but helps implement the Governor’s goals, as expressed in his recent reorganization announcement,⁴ to further the development of affordable housing in the state.

⁴ Governor Newsom restructures state government to combat homelessness, boost housing and affordability (July 11, 2025), available at <https://www.gov.ca.gov/2025/07/11/governor-newsom-restructures-state-government-to-combat-homelessness-boost-housing-and-affordability/>.

INITIAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

The Proposal is expected to save time and resources for both the applicants of 100% affordable housing projects and the Commission. With a longer time frame for their projects to vest, the applicants need not spend time and money applying for extensions that are too short to be useful (essentially requiring a cycle of extensions until the project can vest), saving the Commission from having to process those applications.

Due to the encouragement of affordable housing in California, the Proposal generally benefits social equity. The Proposal does not directly affect public health and safety or worker safety. As described below, the Proposal may indirectly benefit the environment.

STUDIES, REPORTS, AND DOCUMENTS

The Commission did not rely on any particular study, report, or document for these amendments.

BENEFITS

In addition to supporting the Governor's and Commission's goals to encourage the building of more affordable housing, the Proposal indirectly supports other Coastal Act policies that are linked to housing.⁵ The Commission ties the ability to live near the coast to the state Constitutional duty to maximize public access for all (Pub. Resources Code, § 30210), to cluster development (§ 30250), and, via clustering and allowing increased density, to minimize emissions (§ 30253(d)). Those benefits in turn can promote the protection of open space, the use of public transit, and the correction of environmental injustice.

The Proposal does not directly affect public health and safety or worker safety.

REASONABLE ALTERNATIVES TO THE REGULATION AND THE AGENCY'S REASONS FOR REJECTING THOSE ALTERNATIVES

No reasonable alternatives have been proposed or considered, including alternatives that would lessen any adverse impact on small business. The Proposal does not adversely impact small business. The primary way in which business entities interact with the Commission are as applicants for coastal development permits. The Proposal does not affect the duties of applicants as no affirmative compliance is required.

No alternatives have been proposed as less burdensome and equally effective in achieving the purposes of the regulation in a manner that achieves the purposes of the statute.

⁵ See various discussions of Coastal Act policies at <https://www.coastal.ca.gov/Housing/>.

INITIAL STATEMENT OF REASONS

Coastal Commission Regulation Amendments, Title 14, Sections 13156 and 13169

PERFORMANCE & PRESCRIPTIVE STANDARDS

The Proposal does not prescribe any new standards.

Technology: No specific technologies or equipment are required to be used.

Procedures: No new procedures are added.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Commission determines the proposed changes will not have a significant adverse economic impact on business. The primary way in which business entities interact with the Commission are as applicants for coastal development permits. The Proposal does not affect the duties of applicants as no particular compliance is required.

DUPLICATION OR CONFLICT WITH FEDERAL REGULATIONS

The Commission is a regulatory agency under the California Natural Resources Agency. The Proposal relaxes particular deadlines for applicants proposing affordable housing. As applicable only to Commission matters, the changes do not duplicate or conflict with federal regulations.

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)****ECONOMIC IMPACT STATEMENT**

DEPARTMENT NAME California Coastal Commission	CONTACT PERSON Robin Mayer	EMAIL ADDRESS robin.mayer@coastal.ca.gov	TELEPHONE NUMBER (415) 505-5908
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Affordable Housing Vesting Amendments		NOTICE FILE NUMBER Z	

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

<input checked="" type="checkbox"/> a. Impacts business and/or employees	<input type="checkbox"/> e. Imposes reporting requirements
<input checked="" type="checkbox"/> b. Impacts small businesses	<input type="checkbox"/> f. Imposes prescriptive instead of performance
<input type="checkbox"/> c. Impacts jobs or occupations	<input type="checkbox"/> g. Impacts individuals
<input type="checkbox"/> d. Impacts California competitiveness	<input type="checkbox"/> h. None of the above (Explain below):

*If any box in Items 1 a through g is checked, complete this Economic Impact Statement.**If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.*2. The **California Coastal Commission** (Agency/Department) estimates that the economic impact of this regulation (which includes the fiscal impact) is:

<input checked="" type="checkbox"/> Below \$10 million
<input type="checkbox"/> Between \$10 and \$25 million
<input type="checkbox"/> Between \$25 and \$50 million
<input type="checkbox"/> Over \$50 million <i>[If the economic impact is over \$50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]</i>

3. Enter the total number of businesses impacted: **100-500**Describe the types of businesses (Include nonprofits): **Developers of affordable housing projects in the coastal zone**Enter the number or percentage of total businesses impacted that are small businesses: **less than 10%**4. Enter the number of businesses that will be created: **0** eliminated: **0**Explain: **The Proposal does not have such impact as to create or eliminate a business.**5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): **Coastal Zone**6. Enter the number of jobs created: **0** and eliminated: **0**

Describe the types of jobs or occupations impacted:

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? YES NO

If YES, explain briefly: _____

**Exhibit 4- supporting materials
Page 1 of 20**

ECONOMIC AND FISCAL IMPACT STATEMENT (REGULATIONS AND ORDERS)

STD. 399 (Rev. 10/2019)

ECONOMIC IMPACT STATEMENT (CONTINUED)

B. ESTIMATED COSTS *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ 0

a. Initial costs for a small business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

b. Initial costs for a typical business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

c. Initial costs for an individual: \$ _____ Annual ongoing costs: \$ _____ Years: _____

d. Describe other economic costs that may occur: _____

2. If multiple industries are impacted, enter the share of total costs for each industry: _____

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements.
Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted. \$ _____

4. Will this regulation directly impact housing costs? YES NO

If YES, enter the annual dollar cost per housing unit: \$ _____

Number of units: _____

5. Are there comparable Federal regulations? YES NO

Explain the need for State regulation given the existence or absence of Federal regulations: The amendments are specific to the Commission.

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ _____

C. ESTIMATED BENEFITS *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: e chief benefit of the proposal is to allow more time for aordable housing approvals and permits in the coastal zone to vest. This frees up developers from having to apply for extensions every two years, as the new period will be five years, and also allows approved extensions to last longer.

2. Are the benefits the result of: specific statutory requirements, or goals developed by the agency based on broad statutory authority?

Explain: Generally the Commission oversees development in the Coastal Zone, including permits for aordable housing.

3. What are the total statewide benefits from this regulation over its lifetime? \$ \$1.9 million

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: None known.

D. ALTERNATIVES TO THE REGULATION *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: The Commission considered shorter periods to vest such as three or four years, rather than the five years proposed. However, five years is a reasonable time for a project to vest with enough savings compared to the current regulation to aid the development of aordable housing.

Exhibit 4- supporting materials

Page 2 of 20

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (Rev. 10/2019)

ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ **\$1.9 million** Cost: \$ **0**Alternative 1: Benefit: \$ **\$1.52m/1.14m** Cost: \$ **0**Alternative 2: Benefit: \$ **0** Cost: \$ **0**

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives:

The longer the period of vesting not required, the more savings for the applicant.4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? YES NOExplain: No prescriptive standards are proposed.**E. MAJOR REGULATIONS** *Include calculations and assumptions in the rulemaking record.**California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.*1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? YES NO*If YES, complete E2. and E3**If NO, skip to E4*

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

 YES NO*If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.*

5. Briefly describe the following:

The increase or decrease of investment in the State: _____

The incentive for innovation in products, materials or processes: _____

Exhibit 4- supporting materials**Page 3 of 20**

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)****FISCAL IMPACT STATEMENT****A. FISCAL EFFECT ON LOCAL GOVERNMENT** *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

a. Funding provided in _____

Budget Act of _____ or Chapter _____, Statutes of _____

b. Funding will be requested in the Governor's Budget Act of _____

Fiscal Year: _____

2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

a. Implements the Federal mandate contained in _____

b. Implements the court mandate set forth by the _____ Court.

Case of: _____ vs. _____

c. Implements a mandate of the people of this State expressed in their approval of Proposition No. _____

Date of Election: _____

d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: _____

e. Will be fully financed from the fees, revenue, etc. from: _____

Authorized by Section: _____ of the _____ Code;

f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

3. Annual Savings. (approximate)

\$ _____

4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

5. No fiscal impact exists. This regulation does not affect any local entity or program.

6. Other. Explain _____

Exhibit 4- supporting materials
Page 4 of 20

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)****FISCAL IMPACT STATEMENT (CONTINUED)****B. FISCAL EFFECT ON STATE GOVERNMENT** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ 0 _____

It is anticipated that State agencies will:

a. Absorb these additional costs within their existing budgets and resources.

b. Increase the currently authorized budget level for the _____ Fiscal Year

2. Savings in the current State Fiscal Year. (Approximate)

\$ 0 _____

3. No fiscal impact exists. This regulation does not affect any State agency or program.

4. Other. Explain Once the regulation takes effect and the Commission approves qualifying projects, the Commission will receive fewer applications to extend the approvals or permits that haven't vested. This saves time and resources.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

4. Other. Explain _____

FISCAL OFFICER SIGNATURE

-DocuSigned by:

 Madeline Canavier

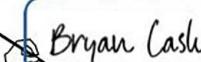
DATE

09/08/2025

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY

-DocuSigned by:

 Bryan Cash

DATE

09/10/2025

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

Exhibit 4- supporting materials
Page 5 of 20



COST ESTIMATING METHODOLOGY

REGULAR RULEMAKING California Coastal Commission Regulation Amendments Title 14, Sections 13156, 13169

September 19, 2025

STATEMENT OF THE MANDATE

The proposed amendments to Sections 13156 and 13169 (Cal. Code of Regs., tit. 14) (“Proposal”) do not require local entities to undertake a new program or to provide an increased level of service in an existing program.

BACKGROUND

Section 30333 of the Public Resources Code provides that the Commission may adopt or amend rules and regulations to carry out the purposes and provisions of the Coastal Act (Division 20, Pub. Resources Code),¹ as well as to govern procedures of the Commission. Rules and regulations shall be consistent with the Coastal Act and other applicable law.

The Commission’s main responsibilities consist of considering applications for coastal development permits; certifying local coastal programs in order to delegate authority for local governments to issue their own coastal development permits; considering appeals of local permits; setting policy in coastal matters; conducting enforcement; and ensuring that federally-approved development in the Coastal Zone is consistent with the Coastal Act.

The Commission is acutely aware of California’s housing crisis and in particular, the unaffordability of housing statewide, including in the Coastal Zone.² To express just one of the many statistics of the crisis, almost 80 percent of low-income households in the state are “cost-burdened,” meaning they pay more than half their income toward housing.³ Generally the closer to the ocean, the more expensive the housing, with multi-million-dollar houses a common occurrence. (Ex. A.)

The Proposal would interpret, implement, and make specific Section 30604(f), the Commission’s mandate to encourage affordable housing in the coastal zone (see also § 30604, subds. (g) [policy to encourage affordable housing] and (h) [consideration of

¹ Unless otherwise specified, all further statutory references are to the Public Resources Code. ² The Commission’s web page on affordable housing offers extensive policy and analysis on the Commission’s approach, at <https://www.coastal.ca.gov/Housing/>.

³ *Id.*, see Background section.

COST ESTIMATING METHODOLOGY
REGULAR RULEMAKING
California Coastal Commission Regulations, Title 14, §§ 13156, 13169

environmental justice]), and to implement reasonable time frames for the vesting and extension of affordable housing approvals.

WORKING DATA

Costs

Because the Proposal lengthens the time of vesting for certain projects, those affected by the amendments need not perform any particular tasks and no compliance is required. Therefore, the Proposal does not create any costs for applicants, the Commission, interested persons (appellants), local government, other state agencies, or the public.

Savings

Overall, the Proposal's savings stem from lifting the necessity to apply for an extension when a project hasn't vested, which would ordinarily be the case for housing projects. Existing regulation Section 13156 requires applying for an extension within two years of Commission approval of the project. Lengthening that time frame to five years saves the costs of two extension applications (end of Year 2 and end of Year 4) and their associated considerations, such as the hearing. Existing regulation 13169 requires a single extension to last one year from the date of the last approval. Lengthening this period two years would save at least one extension application and possibly more if further extensions are needed. Under the Proposal, it is expected that each project applicant (developer) would save the costs of at least three extension applications and perhaps many more.

Applications per Year

As mentioned above, the Commission considers applications for coastal development permits as well as submittals of long-range planning matters, known as local coastal programs and their amendments. The number of permits illustrates the number of extension applications that are very likely to come in, and the number of planning actions is a long-term predictor of extension applications where certifications require affordable housing units to be built.

In recent years, the Commission's Statewide Planning division has tracked housing-related matters. From 2021-2024, four permit considerations approved 207 units of affordable housing, and three planning certifications would create 263 affordable units. Three of those matters created 100% affordable units. (Ex. B.) The number of developers (applicants) involved are assumed to be one per matter, for seven total or about two per year. For the purposes of this analysis, all future projects are assumed to be 100% affordable.

COST ESTIMATING METHODOLOGY
REGULAR RULEMAKING
California Coastal Commission Regulations, Title 14, §§ 13156, 13169

Value to Applicants of Fewer Extension Applications

The 2025-2026 fee for extension applications is \$1,569. (Cal. Code of Regs., tit. 14, § 13055(b)(1)(B)). There is no fee to applicants for appealed matters or for their indirect involvement with local coastal program amendments. The program amendments in turn would lead to permit applications, but it is not feasible to predict if those permit applications would be to the Commission, to the local government, or if to the local government, whether they would be appealable or appealed. However, housing projects are usually controversial in nature for the immediate area, and many appeals would be expected.

Other costs, while numerous, vary from application to application depending on factors such as environmental resources at or near the site, the necessity for technical experts such as geologists or biologists, and the cost of agents or attorneys. As further explained in the “Assumptions” section, a very conservative estimate of total costs would be \$10,000 per extension application. With the number of “prevented” extensions per project estimated at three, each applicant would save roughly \$30,000. With the number of affordable housing approvals per year estimated at two (though expected to increase), the economic savings per year of the regulation would be \$60,000.

Value to the Commission of Fewer Extension Applications

The savings would not increase income to the Commission, but would consist of time and associated resources saved, primarily by Coastal Program Analysts.

Coastal Program Analysts (Analysts) are responsible for the consideration of permits and their extensions. For consideration of extensions, much of their analysis has been completed for the original permit, but analysts must consider if there are changed circumstances on the ground or otherwise that merit deeper consideration. Analysts receive the application, review for completeness, work with the applicant when additional documentation is required, gather evidence, develop a recommendation, write a staff report and compile exhibits, send notices, present the item at the Commission hearing, and answer questions from the public, among other tasks.

An anonymous survey asked analysts how many hours it takes to process a relatively simple local coastal program amendment, which is roughly equivalent to the work involved in processing an extension application. Choices ranged from less than 16 hours to more than 120 hours. Twenty-six analysts responded, with the amount of time averaging to about 29 hours. (Ex. C, Analyst Hours Survey.) Although the number of working days a month varies, the 29 hours is calculated using a typical 168-hour month, such that processing an extension applicant would take 17.3 percent of the working hours for the month.

Analyst pay ranges from \$4928 to \$9638 (Ex. D, Analyst Salaries). As the greater population of analysts are at level II, the salary figure used is \$7328 a month. That

COST ESTIMATING METHODOLOGY
REGULAR RULEMAKING
California Coastal Commission Regulations, Title 14, §§ 13156, 13169

figure plus benefits (50% of salary)⁴ = \$10,992, times 17.3% = \$1902 of Analyst pay saved per extension application.

The contributions of Commission technical experts, attorneys, and supervisors are not analyzed here as directed by the State Administrative Manual, Section 6602 [definition of indirect fiscal costs].)

Benefits

Total statewide economic benefits over the lifetime of the regulation: \$1.9 million. (See Calculations section below).

Alternative 1: Shorter periods to require vesting. The period to apply for extensions in existing regulation 13156 is two years, and the regulation proposes five years. Three or four years would be ineffective at accomplishing the Proposal's goals, and the economic benefit would be proportionally less.

Alternative 2: Shorter period for extension. The period for extension in existing regulation 13169 is one year, and the regulation proposes two years. A "middle ground" is not practicable, and there would be no benefit.

Qualitative Benefits. Qualitative benefits are discussed in the Initial Statement of Reasons.

ASSUMPTIONS

Affected universe. Despite efforts to research, the statewide data available on the number of affordable housing developers varied too much to be useful, and there does not seem to be analysis of how many of these developers would qualify as a small business nor how many develop in the coastal zone. Additionally, that population is potential, with a fraction that would apply to the Coastal Commission for a permit (or the applicant's project reviewed under the appeal process as a "de novo" permit). Therefore, the assumption is that the number of developers is roughly 100-500 and the percentage of small business ten percent or less. It takes considerable resources to develop affordable housing, and it is assumed that most of these projects are beyond the reach of small business (as defined, e.g., by Gov. Code § 14837 (d)(1)(a).)

Economic savings to applicants. The cost of an extension application (preparing, submitting, and working with Commission staff to file the application as complete), the hearing that considers the application (preparation, travel, testimony by experts), and

⁴ The Commission's Business Office reports that this year's benefits compensation runs slightly more than 50% of an individual's salary.

COST ESTIMATING METHODOLOGY
REGULAR RULEMAKING
California Coastal Commission Regulations, Title 14, §§ 13156, 13169

compliance with any outstanding special conditions (e.g. deed restrictions, agent services) varies greatly from applicant to applicant. However, most extension applications are relatively simple and are processed quickly, with Commission concurrence requested on reporting the extension rather than a full hearing and vote. It is assumed therefore that the overall cost would be low, but at least \$10,000 per application.

Fiscal savings to the Commission. Any savings in time that free up analyst or technical expert resources are assumed to be devoted to other projects and are not directly translated into dollar savings.

Inflation. Inflation is calculated at 2.5% a year for the lifetime of the regulation. The California Consumer Price Index for Urban Consumers rose approximately 3% in 2024 and 2.5% for the first half of 2025. (Ex. E, Inflation.) Inflation is applied to the economic savings but not the fiscal savings. Due to the state budget cutbacks, Analyst salaries are not expected to rise during Years 1-3.

CALCULATIONS AND RESULTS

Economic Totals

The life of the regulation, once effective, is considered to be 20 years, for a total of \$1,200,000 in savings to the private sector, plus inflation assumed at 2.5 percent per year, for a total of about \$1.9 million dollars.

YEAR	BASE TOTAL	
1	\$ 1,200,000.00	
	inflation	0.025
	previous +	
2	inflation	\$ 1,230,000.00
3		\$ 1,260,750.00
4		\$ 1,292,268.75
45		\$ 1,324,575.47
6		\$ 1,357,689.86
7		\$ 1,391,632.10
8		\$ 1,426,422.90
9		\$ 1,462,083.48
10		\$ 1,498,635.56
11		\$ 1,536,101.45
12		\$ 1,574,503.99
13		\$ 1,613,866.59
14		\$ 1,654,213.25
15		\$ 1,695,568.59
16		\$ 1,737,957.80

COST ESTIMATING METHODOLOGY
REGULAR RULEMAKING
California Coastal Commission Regulations, Title 14, §§ 13156, 13169

17	\$ 1,781,406.74
18	\$ 1,825,941.91
19	\$ 1,871,590.46
20	\$ 1,918,380.22

Alternative 1 calculations (three or four years required to vest: .80 * \$1,900,000 = \$1,520,000, and .60 * \$1,900,000 = \$1.140,000.

Fiscal Savings, Years 1-3

The Proposal is anticipated to be effective on April 1, 2026, with the first “saved” extensions happening at least two years later following an approved project. Therefore, the first fiscal savings would not be realized until later in Year 3. Under the existing regulation 13156, the Commission may exercise discretion to lengthen the time to vest. That option is not predictable so not calculated.

Fiscal Year 1 (remaining) – Jan. 1, 2026 – June 30, 2026 – no savings.

Fiscal Year 2 – July 1, 2026 – June 30, 2027 – no savings

Fiscal Year 3 (part 1) – July 1, 2027 – March 31, 2028 – no savings

Fiscal Year 3 (part 2) – April 1, 2028 – June 30, 2028 - \$1902 savings (1 matter)

CONCLUSION

The Proposal does not impose a reimbursable mandate on local government nor require any non-reimbursable costs.

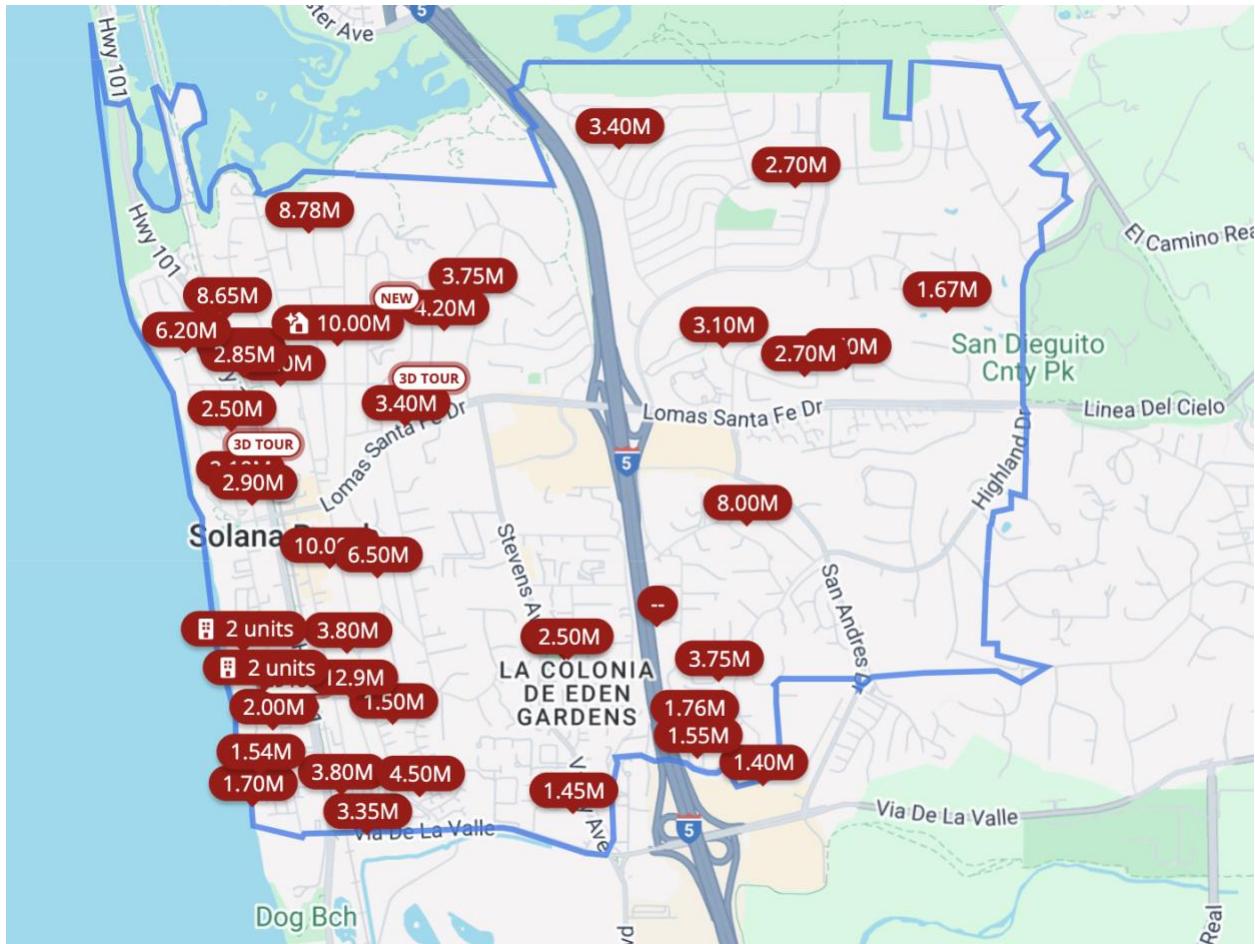
Economic savings for the life of the regulation amount to approximately \$1.9 million.

Fiscal savings for Years 1-3 amount to \$1902 and would be expected to at least double per year after that.

EXHIBIT A

COASTAL HOME VALUES Zillow.com, accessed Sept. 2025

Solana Beach, San Diego County



Little River area, Mendocino County

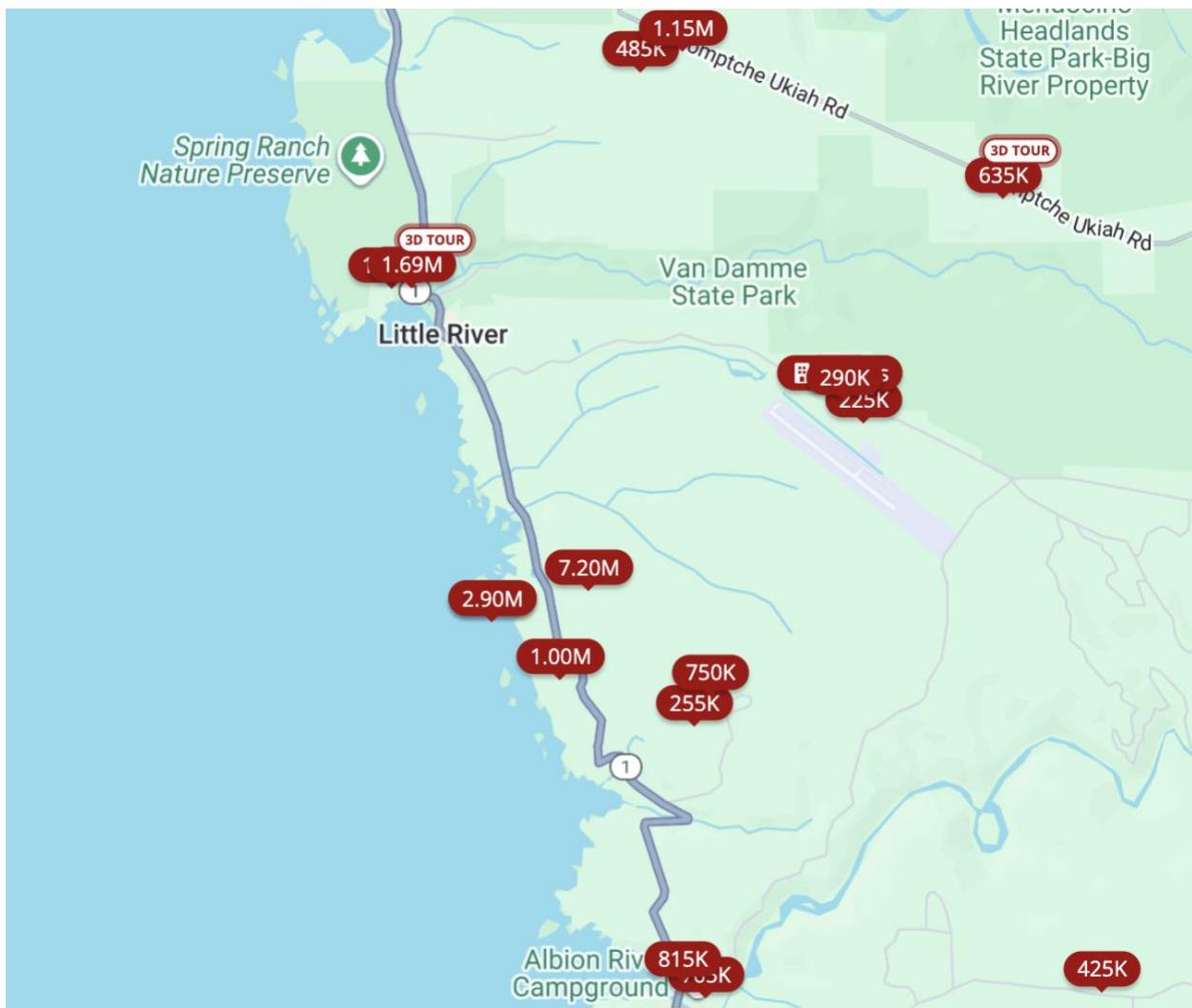


Exhibit
Analyst Salaries



State of California
Civil Service Pay Scale - Alpha by Class Title

Schem	Class	Code	Code	Full Class Title	Pay Compensation	Period *	SISA	Footnotes	AR Crit	MCR	Prob. Mo.	WWG	NT	CBID
JW76	4726			COASTAL PROGRAM ANALYST I										
		A		\$4,928.00 - \$5,598.00			01 19 21		121	1	12	2		R01
		B		\$5,083.00 - \$6,058.00			01 19 21		121	1	12	2		R01
		C		\$6,096.00 - \$7,633.00			01 19 21		121	1	12	2		R01
JW74	4735			COASTAL PROGRAM ANALYST II										
				\$7,328.00 - \$9,178.00			01 19			1	12	2		R01
JW72	4762			COASTAL PROGRAM ANALYST III										
				\$7,694.00 - \$9,638.00			01 19			1	12	E		S01

* All salaries are monthly unless otherwise indicated.

Pay Scales/CalHR Net: Updated 8/26/2025

Page 21- A

Exhibit 4- supporting materials
Page 14 of 20

COST ESTIMATING METHODOLOGY

REGULAR RULEMAKING
California Coastal Commission regulations,
Title 14, §§ 13156, 13169

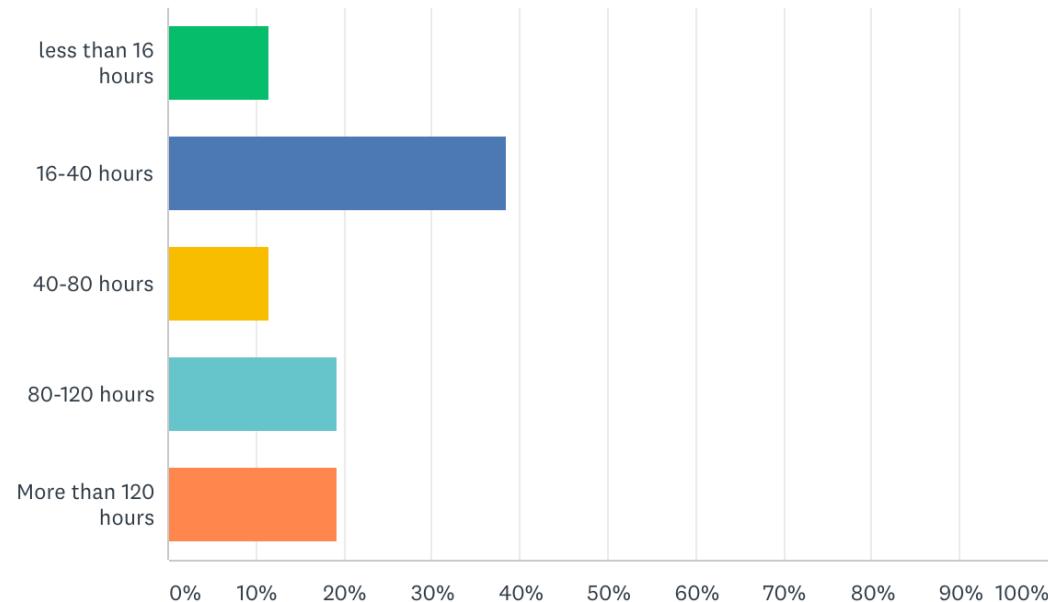
Exhibit C

Analyst Hours Survey



What is the estimated average amount of hours you work on a relatively simple LCPA (but not minor or de minimis). Include coordination with the local government, through drafting the report and bringing to hearing, and post-hearing tasks. Do not include anyone else's time (e.g. supervisor, attorney).

Answered: 26 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ less than 16 hours	11.54% 3
▼ 16-40 hours	38.46% 10
▼ 40-80 hours	11.54% 3
▼ 80-120 hours	19.23% 5
▼ More than 120 hours	19.23% 5
TOTAL	

Screenshot

Average Analyst Hours Calculation		
Respondents	x Hours Est.	Total Hours
3	16	48
10	40	400
3	80	240
5	120	600
5	150	750
Total Respondents		Grand Total Hours
26		2038
		Average Hours
2038 /26		28.85

Exhibit 4- supporting materials
Page 17 of 20

EXHIBIT B

Multi-Family Housing Actions

A	B	C	D	E
1				
2				
3	Year	Matter No	Unit Count	Affordable Units
4				
5	2021	LCP-2-SMC-20-0054-1	71	71
6				
7	2022	LCP-6-CII-21-0040-1	192	42
8	2022	CDP No. 5-21-0785	42	42
9				
10	2023	CDP No. 5-22-0799	100	25
11	2023	CDP No. A-6-ENC-22-0049	94	19
12				
13	2024	CDP 5-22-0588	120	120
14	2024	LCP-5-HNB-24-0003-1	250	50
15	2024	LCP-6-OMN-23-0053-4	380	100
16	2024	CDP No. 5-23-0415-W	10	1
17				
18	Totals	All Units	Affordable Units	100% Affordable
19	LCP actions	893	263	1
20	Permits/Waiver	366	207	2
21	Overall Total	1259	470	3

Exhibit 4- supporting materials
Page 18 of 20

Exhibit E
Inflation Values

2024

[Office of the Director](#) / Consumer Price Index Calculator

Consumer Price Index Calculator

1. Select an Index

California

2. Select index type

All Urban Consumers

3. Select beginning month

December

4. Select beginning year

2023

5. Select ending month

December

6. Select ending year

2024

Beginning Index Value

334.395

Ending Index Value

344.295

Based upon the Index, index type, and the time period you have specified, the percent change in the Consumer Price Index is equal to:

3.0%

Exhibit 4- supporting materials
Page 19 of 20

2025 (to June 30)

[Office of the Director](#) / Consumer Price Index Calculator

Consumer Price Index Calculator

1. Select an Index

California

2. Select index type

All Urban Consumers

3. Select beginning month

December

4. Select beginning year

2024

5. Select ending month

June

6. Select ending year

2025

Beginning Index Value

344.295

Ending Index Value

353.044

Based upon the Index, index type, and the time period you have specified, the percent change in the Consumer Price Index is equal to:

2.5%

Exhibit 4- supporting materials
Page 20 of 20

CALIFORNIA COASTAL COMMISSION

455 MARKET STREET, SUITE 300
SAN FRANCISCO, CA 94105-2421
VOICE (415) 904-5200
FAX (415) 904-5400



W6g

Changes to Commission Regulations

November 5, 2025

Correspondence



Send



To

Mayer, Robin <Robin.Mayer@coastal.ca.gov> X

Bcc

Cc

Fw: Public Comment on Reg Change

Draft saved at 9:41 AM

From Natalie Spievack, housing.ca.gov:

Even after land use entitlements are approved, financing affordable housing is a lengthy process. Developers must apply for various state and federal subsidies. Many of these subsidies are offered only once per year, and a developer must win multiple, unaligned competitions to achieve full financing. This process can easily take three to five years after the Coastal Commission approves a project. Moreover, if there is any uncertainty as to whether or not a Coastal Development Permit will be extended, a project can become ineligible for funding, as the entitlement must remain in place through construction closing (typically six months after the final funding award is received). Because it is nearly impossible to secure financing and close within 2 years, issuing CDPs with an initial five-year duration will resolve uncertainty and better align with the affordable housing development process.

Natalie Spievack

Senior Policy Advocate, Housing California

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Housing Advocates List + Reg

From Louis Mirante <lmirante@bayareacouncil.org>

Date Wed 10/29/2025 5:55 PM

To Mayer, Robin@Coastal <Robin.Mayer@coastal.ca.gov>

You don't often get email from lmirante@bayareacouncil.org. [Learn why this is important](#)

Hey Robin,

I hope you're doing well. You recently sent out an email flagging the upcoming CCC meeting to housing advocates - would you please add my email to that list for future flags, if such a list exists?

Also, for the regulation proposed, have you considered making the vesting length longer for housing projects generally, or perhaps multifamily housing projects? Why just confine it to affordable housing if the change is beneficial?

Best wishes,
Louis



Louis Mirante

Senior Vice President of Public Policy, Housing

Phone: (510) 908-0537 | **Email:** lmirante@bayareacouncil.org

The Historic Klamath, Pier 9, The Embarcadero, San Francisco

www.bayareacouncil.org



W6

DATE: November 4, 2025

TO: Coastal Commission and Interested Persons

FROM: Louise Warren, Chief Counsel
Robin M. Mayer, Senior Attorney
Claire Wilkens, Attorney

SUBJECT: ADDENDUM to Item W6g, Proposed Amendments to Commission
Regulations
Hearing and Possible Adoption
California Code of Regulations, Title 14, Sections 13156 and 13169

This addendum announces comments received during the rulemaking public comment period and responds to the comments.

I. COMMENTS RECEIVED

During the 45-day comment period from September 19, 2025 to Monday, November 3, 2025, the Commission received two substantive comments regarding the proposed rulemaking. Both comments are published on the correspondence tab for this item.

II. RESPONSES TO COMMENTS

In the first comment, housing advocate Natalie Spievack supported the staff recommendation to adopt the amendments to expand the periods for the vesting of 100% affordable housing projects from two years to five years and expand the period for extensions (after the initial vesting period) from one year to two years. Ms. Spievack explained that having an approved coastal development permit in hand is crucial when affordable housing developers seek funding, and moreover the process of applying for and receiving funding for 100% affordable housing projects can take many years. The uncertainty created by the existing two-year vesting and one-year extension periods makes funding more difficult to obtain.

In the second comment, housing advocate Louis Mirante asked why the regulation amendments to lengthen the vesting and extension periods, which he described as beneficial, are for affordable housing projects only and not for other types of housing projects. Staff agrees that the amendments provide a beneficial effect. The amendments are specific to 100% affordable housing projects because unlike privately funded, for-profit developments, these projects face particular challenges when seeking financing, namely the funding process involving multiple sources that cannot be secured until after permit approval is in hand.

As explained in more detail in [Exhibit 3](#), the Initial Statement of Reasons, the existing regulation periods not only create barriers to funding, but may preclude the opportunity to obtain a full financing package within the current vesting window. The proposed amendments of five years for vesting and two years for extensions provide an accountable and realistic framework for such projects. Additionally, the proposed amendments implement the Commission's statutory mandate to encourage affordable housing. ((Pub. Resources Code, § 30604(f), see also subds. (g) and (h)).

It's important to note as well that developers of other types of housing projects may request and receive a longer time period for their projects to vest under both the existing regulations and the proposed amendments. The proposed amendments clarify that provision in section 13156(g), but do not change its intent or effect.

Supplemental Materials

Public Resources Code, Section 30604(g)

State of California

PUBLIC RESOURCES CODE

Section 30604

30604. (a) Prior to certification of the local coastal program, a coastal development permit shall be issued if the issuing agency, or the commission on appeal, finds that the proposed development is in conformity with Chapter 3 (commencing with Section 30200) and that the permitted development will not prejudice the ability of the local government to prepare a local coastal program that is in conformity with Chapter 3 (commencing with Section 30200). A denial of a coastal development permit on grounds it would prejudice the ability of the local government to prepare a local coastal program that is in conformity with Chapter 3 (commencing with Section 30200) shall be accompanied by a specific finding that sets forth the basis for that conclusion.

(b) After certification of the local coastal program, a coastal development permit shall be issued if the issuing agency, or the commission on appeal, finds that the proposed development is in conformity with the certified local coastal program.

(c) Every coastal development permit issued for any development between the nearest public road and the sea or the shoreline of any body of water located within the coastal zone shall include a specific finding that the development is in conformity with the public access and public recreation policies of Chapter 3 (commencing with Section 30200).

(d) No development or any portion thereof that is outside the coastal zone shall be subject to the coastal development permit requirements of this division, nor shall anything in this division authorize the denial of a coastal development permit by the commission on the grounds the proposed development within the coastal zone will have an adverse environmental effect outside the coastal zone.

(e) No coastal development permit may be denied under this division on the grounds that a public agency is planning or contemplating to acquire the property, or property adjacent to the property, on which the proposed development is to be located, unless the public agency has been specifically authorized to acquire the property and there are funds available, or funds that could reasonably be expected to be made available within one year, for the acquisition. If a permit has been denied for that reason and the property has not been acquired by a public agency within a reasonable period of time, a permit may not be denied for the development on grounds that the property, or adjacent property, is to be acquired by a public agency when the application for such a development is resubmitted.

(f) The commission shall encourage housing opportunities for persons of low and moderate income. In reviewing residential development applications for low- and moderate-income housing, as defined in paragraph (3) of subdivision (h) of Section

65589.5 of the Government Code, the issuing agency, or the commission on appeal, may not require measures that reduce residential densities below the density sought by an applicant if the density sought is within the permitted density or range of density established by local zoning plus the additional density permitted under Section 65915 of the Government Code, unless the issuing agency or the commission on appeal makes a finding, based on substantial evidence in the record, that the density sought by the applicant cannot feasibly be accommodated on the site in a manner that is in conformity with Chapter 3 (commencing with Section 30200) or the certified local coastal program.

(g) The Legislature finds and declares that it is important for the commission to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low and moderate income in the coastal zone.

(h) When acting on a coastal development permit, the issuing agency, or the commission on appeal, may consider environmental justice, or the equitable distribution of environmental benefits throughout the state.

(Amended by Stats. 2016, Ch. 578, Sec. 4. (AB 2616) Effective January 1, 2017.)

TABLE OF CONTENTS DECLARATION

Rulemaking Z-2025-0909-06

The record was closed on November 5, 2025. The file submitted is complete.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DocuSigned by:

Robin Mayer

5AAB56EEBFC0439...

Date: 12/12/2025

Robin M. Mayer
Senior Attorney

CALIFORNIA COASTAL COMMISSION

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**REQUEST FOR EARLIER EFFECTIVE DATE**

Rulemaking Z-2025-090-06

The Coastal Commission requests that after approval, the amendments to sections 13156 and 13169 of Commission regulations in Title 14 become effective as soon as feasible, rather than the April 1 quarterly date. As explained in the Statements of Reasons, the housing crisis in California is acute, and is particularly acute in the coastal zone where housing is beyond the reach of low-income and moderate-income families. The simple procedural changes offered in the regulation amendments will ease financing that is essential for 100% affordable housing projects. During the hearing for adoption of the amendments, the Commission received unanimous support for the rulemaking from housing advocates and the public. The sooner the regulation amendments are law, the sooner that developers will be assured their approvals will have sufficient vesting periods, which in turn helps ensure that projects get funded and affordable housing built.